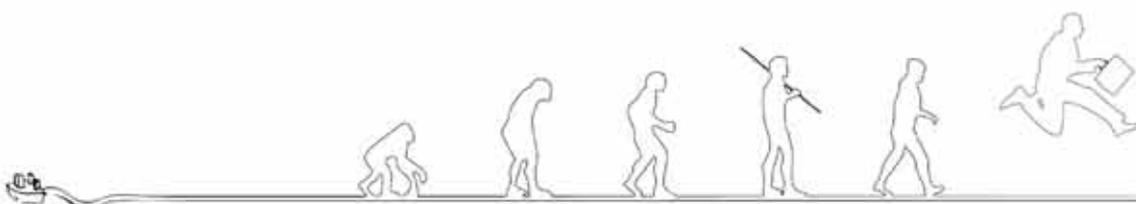


ACTIVITY BASED WORKING

The Hybrid Organisation: Buildings

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INTRODUCTION

The way we work is now open to wide-ranging review. Most of the assumptions and rules of the past are no longer valid. The concept of the office as the 'dumb' container for work, housing the corporation and its infrastructure assets, will be challenged by a number of factors explored in this paper. Work, in the future, will only be a verb. It is becoming a process, not a place.

One of the key drivers of this change will be sustainability. The combination of commuting and commercial buildings accounts for the majority of carbon emissions in the UK. And studies find that most commercial office buildings have occupancy levels below 50%, as people increasingly adopt flexible working. Giving everyone a desk or office that lies empty for the majority of the working day is not sustainable.

But there are other forces at work. Reducing the cost of real estate – usually the second largest overhead for a business – has become critical, and at up to £14,000 per person per desk per annum in London, it's a clear target when that desk is not be utilised efficiently.

Demographics, globalisation and management culture add to the mix. But it is technology innovation that will really trigger change as we begin to understand that the impact of new trends, from cloud computing to unified communications and collaboration, enabled by new devices that will always be on, always connected to the internet.

These trends are not ideas in search of a home. They have

their foundations in fundamental changes to our society, our cities and our lives. In the UK alone, an estimated 10 million people commute from their homes to offices every day – by and large at the same time each day – and spend an average of 1 hour and 20 minutes each day for the pleasure of doing so.

They arrive at a building that soon will house none of the technology infrastructure or data that they use in their work, as more software is delivered as a service and data resides in and is processed by remote centres.

We predict the fast ‘death of the deskphone’ and then the slow ‘death of the individual desk’ in its wake. The notion that people need a piece of ‘wood’ to call their own in an era of fast communications will become fiction for most companies.

The ‘death of distance’ will result in an increased ability for distributed work, and so the need for synchronous, real-time systems that allow collaboration without co-location. We believe that the introduction of advanced ‘presence’ solutions such as geopresence and context specific presence will rapidly advance the ability for management styles to change, and also challenge the need for people to be together physically to solve problems.

As people are enabled to work more effectively on the pause, and management culture changes to allow trust, measuring output and not input, the concept of presenteeism and supervision will die. In turn, the city will become more permeable, allowing work to take place in a variety of locations, from public to privileged and private environments.

The logical destination is a concept we have called activity based working (ABW) – an approach to work that does not require a traditional office, but a ‘hybrid environment’ that provides a place for people with shared amenities and spaces. ABW space will be used on a need basis, acting as a home for a population, providing resources and specialised facilities, as and when they are demanded. The buildings that are provided will be thin – housing less complex infrastructure that, in turn, requires less cooling and power, and so creates not just a sustainable future but a place that is attractive, energised and connected – the social networked office.

WHERE HAVE WE COME FROM?

For over 120 years, the white collar workplace has been shaped by technology. From the printing press to the typewriter, that first standardised paper sizes, to the telegraph and then the telephone of the 1880s, technology has had a profound change on the way we work, interact and trade.

But the impact of a new technology is often hard to predict. Soon after Bell invented the telephone, the *New York Times* famously predicted that 'every city would have one'.

The typewriter was also a challenging invention. The more logical 'diatensor' layout for a keyboard was sidelined by the less efficient layout proposed by Remington that became known as 'Qwerty' – a format we still use today in our digital age, even though the letters were separated to actually slow down typing to prevent metal bars colliding.

The office we still recognise today has been shaped by decades of fixed technology – there has always

been heavy equipment on desks that has tethered down the office worker. And the growth of networked technology has resulted in an 'intelligent office building,' engineered to house, power and cool the servers and switches that create the network, process and store corporate data. And a complex industry has grown up to house this connected real estate, from raised access flooring to cable managed systems furniture.

But you can look back into the mid-1800s at a pre-IT era when the workplace had no technology at all. Clerks with pens sat at simple desks or benches; and we believe that we are heading 'back' to an under-engineered, technologically sparse workplace environment, at least in the eyes of the user or occupant. As the *Financial Times* stated: "Fifty years ago computers were absent from office life... In 50 years time things will be much the same. There will be no machines on our desktops."¹

TODAY'S WORKPLACE

As well as heavy, personal desktop technology, paper and personal files have tied the worker to his or her desk. People store many linear metres of paper and filing each, at or near their desk. In many workplaces, between 15 and 17 % of floor space is given over to storage, and the paperless office has yet to materialise. Yes much is about to change and challenge not the use of paper but the need to file and store it. 'Digital flow,' new display technology, tablets, slates and e-books will all start to reduce the 'half life' of paper.

Allocating one person to one desk or office has been the predominant

approach to organising work, clustering people by department in a building that represents the static corporate hierarchy. The office has reflected status and power, not role and function. But it has also represented stability and certainty, and for the company inflexibility and unresponsiveness. Change was difficult, expensive and slow.

But this approach to workplace is increasingly redundant. Most people no longer sit behind desks all day carrying out repetitive tasks. In fact research shows that the majority of desks, typically more than 55%, in an average office are empty at any



one point in time. More and more work is collaborative, and people spend more time working with others.

And while desks are usually empty, research shows² that you can never find a meeting room. Space for teams, projects, mergers and acquisitions (M&As), pitches or war rooms are needed but all too often not available. The types of spaces that people will demand for the types of work undertaken in buildings are changing.

When people do find a room for a team session, the barriers to collaboration and connectivity are extreme. Complexity to get people onto a network, sharing resources such as a printer or projector are substantial in most workplaces today. And for non-employees with so-called 'alien devices' it can be difficult or impossible to connect and use peripherals such as printers.

With the rise of mobility, work has become more fragmented and staccato – people dip in and out of work, increasingly

working 'on the pause'. The office has become one of a number of locations in which work can take place. But the other spaces in which people try to work are often challenging. A coffee shop, where there may be Wi-Fi connectivity but no power or ability to print. A transport hub where there is no place to get away from noise, or an hotel where there are no private work spaces.

We predict the rise of new destinations and locations for work; places in between the home and corporate centre – so-called 'third spaces' that provide an effective place for people to work 'on the pause' – a view that work will become more staccato as people stop and start during the day and have to work from a variety of locations on an ad hoc basis. Third space will become part of the ABW suite – places for work that are not owned or leased by an employing company but shared by people and used on a need basis.

THE THREE PILLARS

Many companies have already started to experiment with flexible or new ways of working. Most have taken a 'spatial' approach, introducing the idea of 'hot desking' (a term borrowed from the hot bunking concept in the Royal Navy) or desk sharing, with usually a moderate ambition of occupancy efficiency to the extent, for example, that five people share say, four, desks. Sharing ratios are often the limit of current thinking, and represent a first step on the journey to a new workstyle.

Most companies introduced new ways of working in a drive to cut costs. The impetus for change was rarely technology or people – place was the key driver. And

all too often new workstyles failed because they were introduced without the enabling technologies and behavioural changes necessary for success.

All organisations have as their three pillars the concept of people, place and technology – the 'mental', the physical and the virtual. These pillars not only represent the largest overheads for most companies but also the biggest opportunity for change, from a predictable corporate structure today to a hybrid one tomorrow.

The hybrid organisation is a result of a redefinition of these pillars. With a different approach to work, a different shape of organisation will appear.



SPACE TO WORK

In the book, *Space to Work*³, four key trends were identified for the knowledge company, based on research with over 200 businesses worldwide. These are represented in the diagram (below) and show the tensions at work, between permeable and contained work, and between high and low corporate visibility.

The corporate office becomes an Academy – a place for people that provides choice and empowerment, enabled by technology and an accepting leadership culture. This balances with the Agora – the increasing ability to be effective ‘in the field,’ in front of customers or working from new, third spaces. It means that people have to come back to the corporate office on a less frequent basis and so challenges the need to give them a desk.

The other trends are about new space. Working near the home, in the community, was called Lodge to

evoke the period in history when piece work from home, or community based working, commerce and trade were the norm. We predict a rise in community based work, with a number of clear drivers and benefits.

A regrouping by people from the same profession was also recognised – the 21st Century Guild. Guild buildings were the first commercial buildings in the world, where people clustered by profession, skill or trade. Now we see a re-emergence of the Guild, as employment by the corporate entity is joined by freelance and independent careers – the portfolio workers that now form a major part of many organisations.

In the diagram, people find their own balance or equilibrium, based on their profile. But what is clear is that the ‘academy’ corporate centre will contract, while work in the agora and lodge will increase.

THE DRIVERS THAT WILL RE-SHAPE WORK

With the early indicators above that work and the workplace is changing, we now predict an acceleration of these trends based on five key drivers:

- Information and communication technology (ICT)
- Culture, management style and patterns of work
- Demographics
- Externalities – transport, legislation and sustainability
- Real estate and the City



INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

New digital technology is emerging that will change the nature of how, why and where work is done. The rise of a new breed of technology is challenging not just the world we live in, but is beginning to redefine the very construct of the organisation. Becoming digital will change that equilibrium, resulting in a new relationship between 'man and machine,' between the city and suburb, and between employer and employee.

The biggest barrier to parting company with a dedicated desk has been paper, but even here its half life is diminishing and, while people will still always use paper, it need not be stored and certainly not kept at the desk. But paper is also threatened as we become digital. The previous IT revolution was basically to take paper and turn it digital. And this meant that what you viewed on screen could then be re-output to paper. No longer. What is displayed is now a mix of media, with flat, two-dimensional text juxtaposed with video and Uniform Resource Locators – the URL links that help us navigate the internet as well as hover or hidden information. What you print no longer represents what is on the screen.

Now digital technology will take that data, and soon applications, out of the office altogether. The rise of the corporate data centre will now be superseded by cloud computing, as applications, processing and data are managed via the internet in anonymous grid or utility computing farms managed by the likes of Microsoft, Amazon, Google, Cisco and HP. The efficiency of these spaces with their 'blades' and shared resources through 'virtualisation' techniques, will challenge any corporate solution on cost, efficiency and green credentials.

And so the digital revolution will take almost everything out of the corporate office. We will in effect occupy from a digital perspective an empty building in the future, devoid of the computing power that keeps the corporate pulse. And with the migration to the cloud will come the realisation that work, increasingly will be done from anywhere, at any time. The necessity to co-locate in a down town office building, sitting adjacent to departmental colleagues to carry out a task will be seen as yesterday's approach to work in the analogue era.

CULTURE, MANAGEMENT STYLE AND PATTERNS OF WORK

One of the most dramatic changes is an acceptance of management by results rather than supervision – outputs rather than inputs. The outdated notion of being paid for the number of hours spent in the office is no longer valid in an age of distributed working. But for many middle managers, letting go of 'watching the back of peoples head' is a difficult transition. For people at all levels, distributed work has its issues.

And while management reports numerous challenges in managing without 'presenteeism', in the current climate, people have also reacted with a need to be present, for job security and being recognised and remembered. This is partly due to ineffective solutions to 'virtual presence' - the technology that can fill the void left when people no longer sit together by department in fixed places. A 'circle of trust' is an approach used



successfully to allow a different paradigm. A company trusts its people to represent its values to clients, and so the same trust needs to be vested in people and the choices they make over where and when they work.

This gets more interesting as more and more work is distributed on a global scale. For example, over half of London's top law firms now outsource typing to South Africa – a country within the same time zone, English speaking with qualified people at a fraction of the cost of London.

Adapting to a new workstyle is also a challenge for many people. Years of sitting behind the same desk, day in day out, creates a pattern of behaviour. The overflowing 'to do' pile, the 'to read' pile, post-it notes with phone messages and reminders, pictures of the kids and trophies

and collected mementoes represent our nesting instinct.

But these are just artefacts of yesterday's order. People can still feel belonging – just not to one small desk. Done correctly, people feel ownership of a community space – rather like a private members club.

What is clear is that status has been correlated to space for over a century and for many, a career climbing the corporate ladder has been manifested by the journey to the corner office. The SVP or Senior Vice President label has a physical incarnation in today's world of corporate hierarchy.

But in matrix, team orientated organisations, these tokens become vestiges of yesterday's approach. People find new ways to demonstrate position. The office no longer represents the hierarchy

DEMOGRAPHICS

For the first time ever, there are now four generations at work. This creates a unique challenge, as each has its own characteristics, aspirations and preferred workstyles.

The newest entrants to the workplace, the **Millennial Generation** (also called **Generation Y**), promise to exert even more influence than their Baby Boomer parents. This group, born between 1980 and 2000, is more numerous than the boomers. It is also a generation celebrated for its confidence, its dedication to equality in the workplace, and its global perspective. But most important, the Millennial Generation takes information delivered by digital technology for granted. For them it is intuitive, invisible and essential and the infrastructure that delivers it, ubiquitous. They are used to living on line and being synchronous does not present a problem.

They have a disregard for privacy, adapting to the transparency of social networks and openness of location aware services. As a social impact, for probably the first time in history, these young people are considered authorities on something that the older generations haven't mastered in the same way.

What are the characteristics of the other three generations?

Traditional generation

Born between 1928 and 1945, these are the oldest members of the workforce. They tend to exemplify faith in the institutions, loyalty, willingness to conform, and the importance of hard work. They respect their employing organisations and expect 'paternalism'. Many of this generation are retired. But a growing percentage is staying in the workforce, offering outstanding knowledge and experience.



Baby boomers

This group is so large; it is divided into early boomers, born from 1946 to 1954, and late boomers, with dates from 1955 to 1965. Both share a strong emphasis on individuality, youth, and adventure. They are confident in their prosperity because they were raised amidst economic growth. Boomers have humanised the workplace, making it comfortable and encouraging innovation at all levels. They are exploring retirement in interesting ways – they are expecting an extended active and vital work life by working part time, telecommuting or consulting.

Generation X

These born between 1966 and 1977 are typically identified as slackers, winners and cynics. There is tension between them and the boomers. If these children of divorce and daycare had a slogan, it might be a sarcastic, “thank you for the world you’re leaving me”. But Gen X is also

very entrepreneurial. They were raised in times of idealism and equality, so they lack the social and cultural limitations of their predecessors.

Getting ready for the digital natives – the ‘net’ gen

What is clear is that the next generation (still at school) will be even more radical in their attitudes and approach. The ‘net gen’ or digital natives have grown up with the internet and use technology in a very different way to other generations. They are learning with the internet, use SMART interactive white boards in their class rooms and carry with them more computing power than their predecessors had in their workplace. They will be the generation that moves the goal posts – the first to be able to live on line, to read on screen and to be happy with less privacy and the ubiquitous connectivity that still leaves digital immigrants out in the cold.

EXTERNALITIES: TRANSPORT, LEGISLATION AND SUSTAINABILITY

Londons’s twin peaks – transport activity by time of day

The twin peaks of transport consumption or activity are still based around the premise of the 9-to-5 working day, with commuting to and from a central business district or office cluster the predominant model. People still by and large leave home every morning at the same time and migrate into a ‘central business district’ in a town or city where work, the office, is located.

Commuting is one of the most challenging behaviours associated with work. Affecting sustainability, work-life balance, productivity (downtime) and urban planning and infrastructure, it consumes an average of 80 minutes a day per person worldwide according to figures from the

Universities of Sheffield and Michigan.

Current transport planning still correlates transport growth to economic growth. For example, in the current London plan, population is forecast to increase to 9.1 million by 2031, with employment increasing from 4.7m to 5.3m jobs. A predicted 475,000 new jobs in business and financial services will be created.

According to Michele Dix, Managing Director of Transport for London, an expansion of transport capacity by 20-30% into central London is required. For example, Crossrail, the proposed cross-London rail system, will move 1.5m more people. But even with all the proposed investment, she predicts, “most corridors are stressed and will continue to be”.



Today in London, 24 million trips are made every day. For example, 3 million people use the tube each day, there are 11 million car and motorcycle trips a day and 9.5 million people walk or cycle. A staggering 2 billion bus journeys are made each year.

These numbers and forecasts point to a transport infrastructure at breaking point, at capacity, with only expensive options available to it for expansion and growth. And this situation is repeated in most other developed urban areas.

Our motorways are not much better. Road delays from traffic jams or accidents have a huge and often unquantified economic impact. For example, it has been shown that a 13-minute holdup on the M25 motorway (freeway) in the UK following an accident equates to 18 driver days lost.

But what if distributed working changed patterns of commuting and so use of transport infrastructure? Can commuting patterns be changed? Could the 1/3 of inhabitants of 'outer London' that commute into the centre each day instead, work locally in their community – at least for a part of the working day?

While not all companies are taking climate change seriously, financial necessity is increasingly driving action in today's corporations, backed by changes in government legislation. Companies and organisations are increasingly being obliged to measure and publicly disclose and report their energy use and related emissions. In time, there will be penalties for not doing so. The UK government is already taking action. Under the latest Climate Change Act, the UK has targets to cut emissions by 34% and to increase the amount of renewable electricity on the grid to 15%, both by 2020 – a tall order when one considers that renewable energy currently accounts for just under 5% of

energy production in this country. But a raft of legislation is being implemented to help the country achieve its goal.

Emissions from buildings are responsible for 40% of all global emissions according to research from McKinsey and up to 80% of total greenhouse gas emissions in our cities and towns. In the UK, it's accepted that 50% of the UK's greenhouse gas emissions are associated with buildings, which means that it's becoming critical that buildings, facilities management operations and workstyles begin to address the issue.

There is a raft of government legislation being put in place to encourage efficiency in real estate. One of the most important of these in the UK is the Carbon Reduction Commitment, due to come into effect in April 2010. It will initially target around 5,000 UK businesses which each consume over 6,000MWh of electricity every year. Under the terms of the proposals each affected firm will be expected to reduce their energy consumption – and therefore their emissions – against a set baseline. The government has already said it is likely to increase the reach of the proposals to cover around 20,000 companies in the not too distant future.

While a requirement to cut energy use will help drive change, it is also evident that new workstyles can also generate significant savings. Laptop use reduced carbon at Macquarie Group by an estimated 8,000 tonnes. And many new ways of working programmes can result in a dramatic reduction of real estate leased or occupied. A 30% reduction of floor space needed creates a 30% reduction in carbon emissions.

Innovation in workstyles can also have further impacts. A move to mobility requires new technology platforms, and many organisations take the opportunity



to migrate to web-based systems, data centres or cloud computing. This takes technology infrastructure out of buildings, into purpose built data centres that cool

servers more efficiently. Without technology infrastructure in buildings, the power and cooling requirements can be dramatically reduced, creating a greener building.

REAL ESTATE AND THE CITY

Real estate costs today represent for most organisations the second biggest overhead after salaries, and this is now under scrutiny as companies' state that they will grow in headcount without taking on more square feet.

In capital cities such as central London, the cost of a desk per person per annum is somewhere between £12,000 and £14,000. This figure includes rent, rates and services charges but often excludes technology.

To provide a measure of the scale of overhead that offices contributes as a % of turnover is important. For example, Philips, the electronics giant, has 118,000 people worldwide based in 877 buildings on 730 sites in 69 countries. This totals 6 million square metres and costs the business annually €636m (for real estate and facilities). Interestingly this represents 2.4% of turnover.

To get a picture for the future, a leading global technology company with over 100,000 people has introduced new ways of working and mobility and in doing so has reduced occupancy costs to US\$4,000 per head per annum (including rent, rates, utilities, services etc.) – less than half the previous costs per capita.

Even the public sector and government estate is undergoing change. In the UK, the Office for Government Commerce (OGC) states that central government occupies over 100 million square feet of space. The average cost of providing office space in London is £7,700 per person per annum, and across the UK it averages at £4,178 per person per year. And this amount is falling year on year.

And so cost reduction can now be achieved through new ways of working that requires less space. But operational costs can also be removed, notably churn costs – the moves and changes which for some companies are at more than 80% - that is 8 out of every 10 people are moved around the building each year. The cost of churn can vary, but anything from £400 to £1,000 per person per move has been stated. One investment bank found that they spent \$8m in churn in London in one year alone.

So corporate spaces we believe will be smaller, based on an Academy model, with flexible, churn-free space, and companies will begin to rely on other destinations for work to complement these smaller centres.



NEW WAYS OF WORKING

What is clear is that many organisations have now adopted what can be broadly defined as 'new ways of working'. That is they have broken the 'one-desk-one-person' model and introduced something different. Solutions, definitions and concepts vary from one business to another, but the trend is clear. People are becoming mobile, enabled by new technology and given the trust and empowerment needed to work in a different way.

The most advanced concepts have adopted an approach known as Activity Based Working (ABW). Rather than save space by making people share desks, ABW takes an alternative approach that has its foundations in the three pillars of people, place and technology.

It profiles people, understanding their typical working day and the variety of tasks that most people perform at different times with different people. It allows cohorts to be identified and measured. ABW does not fall into the trap of iterating the workplace – it realises that 'people can't express what they want when they don't know what they can have'. A different approach to innovation is taken, based on the introduction of new technologies, a detailed change management process and a set of processes and behaviours that the company wants to introduce.

ABW creates a 'win-win' for both company and individual – it presents a vision that lays the foundations for a hybrid organisation. Early adopters of ABW have realised not just these planned benefits but a range of unexpected outcomes as well.

Interpolis, Tilburg, The Netherlands

Insurance company Interpolis has broken the mould and created a very different office based on teams and tasks, enabled

by mobile technology. Over 3,000 people in their purpose-designed building work in activity based work settings that range from weavers huts to stone houses – all designed by some of the top Dutch artists. Most people still have a home and go to the same area each day, using a locker for personal effects. Everyone has mobile telephony, and most now use laptop computers. There are a myriad of shared, specialised workspaces, most based around a central plaza, complete with a market square and central street. The workplace has made a substantial impact on the recruitment and retention of staff. And in the process, Interpolis saved €90m on capex and over €8m per annum on opex as churn costs (moves and changes) have been reduced to zero.

Macquarie Group, Sydney, Australia

Macquarie Group's new building on Shelley Street in Sydney has adopted activity based working, with over 2,500 people sharing a range of spaces that they choose based on a particular activity. The spaces are rich and varied, with a dynamic central street as well as a plaza area on each floor. No two places look the same, from quiet library spaces, to noisy shared team benches.

Everyone carries a laptop and uses wireless technology to connect, so people can work from anywhere. Macquarie has reduced paper used by 73%, with a consequent 78% reduction in storage space required (from 5km to 1km of files) and a reduction in printing of 52% due to 'Follow Me' Printing – equivalent to 42 tonnes of paper per annum. One of the surprising findings from post-occupancy is that use of lifts (elevators) has reduced by 50% as people choose to walk up the central stairs between floors.



Microsoft, Amsterdam, The Netherlands

Microsoft's new campus at Amsterdam's Schipol airport changes the rules. Nobody has a desk, and the workstyle is activity based working. The approach was called "2bPR" (to be people ready) and was built on the three foundations of people, place and technology. As Microsoft explains, "the aim was to empower workers with more freedom while still holding them accountable for results".

And the results have been astonishing. Sales at the Dutch subsidiary have increased by 51% or more. Customers have come into the building to see new ways of working – over 22,000 of them – and real estate costs have been reduced by 30%, saving the subsidiary \$644,000 per annum. Microsoft was named best employer in The Netherlands and has realised significantly improved employee satisfaction. There have also been reduced IT, administration and communication costs.

The upfront research found that 49% of employees worked outside the building on a typical day. Now, in the new building, no one has an assigned desk and 800 people use the building as their 'home'. A range of spaces have been created, from small private cocoons for concentrated work and for on screen working and review by one or two people, to open team tables and private, individual carrels.

Everyone uses a laptop, and the space has no fixed phones at all, with Vodafone and Microsoft's Enterprise Voice solution providing converged telephony and messaging that is delivered to a person, not a desk. The workplace is almost paperless, with people printing on average only one page each per day.

Key technology enablers of change

The Microsoft campus has employed some of their most leading-edge technologies to enable change, alongside other innovations and best practice. One of the clear differences in the space is that there are no fixed telephones at all – the desk phone is dead. Wireless networking technology has been a key ingredient and critical success factor. As Mark Meerbeck at Microsoft says, "the wireless network is so fast, no one ever uses cable. I have never used Ethernet".

There has been a move towards adopting 'rich clients' – a 'half way house' between traditional thin client computing for line of business and fat clients that are used for Microsoft Office Communication Server (OCS) and Office.

One of the biggest changes has been the removal of paper from the workplace. People now print on average only one page a day – a huge reduction from an average of 80 pages, per person per day.



BUSINESS BENEFITS OF NEW WAYS OF WORKING

These are the early signs that work is changing. Corporations have begun to adopt new ways of working for a variety of reasons, and report a number of clear cost-benefits and return on investment (ROI) cases:

Customer satisfaction and responsiveness	More time 'client facing' is often a result of new work styles, where people need to be back in the office on a less frequent basis. New ways of working results in a more nimble organisation, with faster decision making and accelerated processes.
Cost saving and operational efficiency (reduced churn costs)	Reduction of real estate leased by 30% has been achieved in new ways of working programmes. Churn costs have been reduced to near zero.
Mobility and flexibility	Introducing the enablers for mobility within buildings means that people are also able to work effectively from other locations.
Sustainability and carbon reduction	New ways of working results in less space, and so reduced emissions. With resource management software, space that has not been booked can be hibernated.
Competitive advantage and differentiation	New ways of working can provide tangible differentiation and also advantage through lower costs and improved flexibility.
Brand awareness	People in their tens of thousands have made visits to innovative workplaces.
Recruitment and retention of staff	A more vibrant work environment has been shown to be a positive factor in attracting talent.
Disaster recovery and contingency planning	An approach to 'work anywhere' as part of business as usual, also allows a more flexible solution for continuity planning.

EXECUTIVE SUMMARY

We believe that the very nature of where work is undertaken will now be subject to wide ranging review. The five drivers presented in this paper will be considered by every organisation as it reappraises its approach to carbon, its cost base and its need to attract and retain talent. The opportunity for a new or 'hybrid' way of working will become apparent, with its origin based around a fresh approach to work and the three pillars that form the foundation of any business.

The barriers to change, such as trust and visibility, will begin to be eroded by new technologies such as presence, and a host of other advances from cloud computing and software as a service, to new devices and super fast ubiquitous and synchronous connectivity.

The assumption that people need to 'co-locate' to work together will also be challenged as solutions for 'extreme collaboration' become common place.

Historically, most transactions happened within the corporation, and so intra-company collaboration was the goal. But



now, more and more collaboration happens with external partners and suppliers – inter-company collaboration will explode and further advance the concept of the ‘death of distance’.

Distinctions between formats and typologies will be eroded in a number of areas. Convergence will create single platforms and approaches, for example introducing the idea of Unified Communications and Collaboration (UCC). Intelligence will be centred around the person, not a desk or building, and so thin buildings that are people centric and no longer user centric will emerge.

This redefinition of work represents a hybrid approach to place that creates a new definition of a corporate centre around activity based working, complemented by third places and the behavioural and technological enablers necessary to effect change. ABW becomes a concept that defines a ‘Workplace 2.0’ to mirror ‘Web 2.0’ – a place that is the antithesis of the static, permanence of today’s workplace, and instead a reflection of a dynamic, shared and people centric solution for tomorrow’s fast company.

ACHIEVING CHANGE

What is clear is that to move towards ABW requires a set of tools that will be bespoke for each organisation, based on its people and their profiles, the work processes and enabling technologies.

All too often IT departments have struggled to get the right level of investment in base infrastructure required to achieve ABW. Rather than cutting costs in IT, a migration to ABW requires investment, often with higher project costs. The payback and business case derives from the savings in capital expenditure through a reduction in property required and in operational expenditure with a realisation of a ‘churn free’ workplace – an end to moves and changes.

With a clear financial case determined by property savings, the other business benefits from recruitment and retention through to sustainability and the carbon reduction commitment, become

additional benefits in the migration to ABW.

Workplace strategists need to approach ABW with a complete picture and identify responses to all the five forces discussed in this paper. The three pillars represent the need to engage with real estate, technology and human resources to get a rounded perspective and an appreciation of the need to ‘re-balance’.

And as many professionals in research and development admit, researching the needs of customers no longer generates the innovation desired as ‘people can no longer express what they want when they have no idea what they can have’. An approach that draws innovation from fresh perspectives, backed by robust empirical data, will allow any organisation to begin to pilot new ways of working and start the journey on a road towards ABW.



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