



Why Companies Pursue New Workplace Strategies in a Recovering Economy

SIOR Spring World Conference, Miami, FL

May 11, 2012



Today's Discussion



- Understanding our current situation
- Walk through Knoll study findings
- Quick overview of ROI model
- Q&A – audience discussion

To understand the need for change, we first must understand our current situation



"Dull, lifeless work environments cause brain damage."



* Elizabeth Gould, Princeton University









- If this is so wrong, what can be right?





Capital One



Capital One



Philips





Microsoft



General Dynamics





Rio Tinto



HP

Knoll

wanted to know more about distributed work in corporate environments

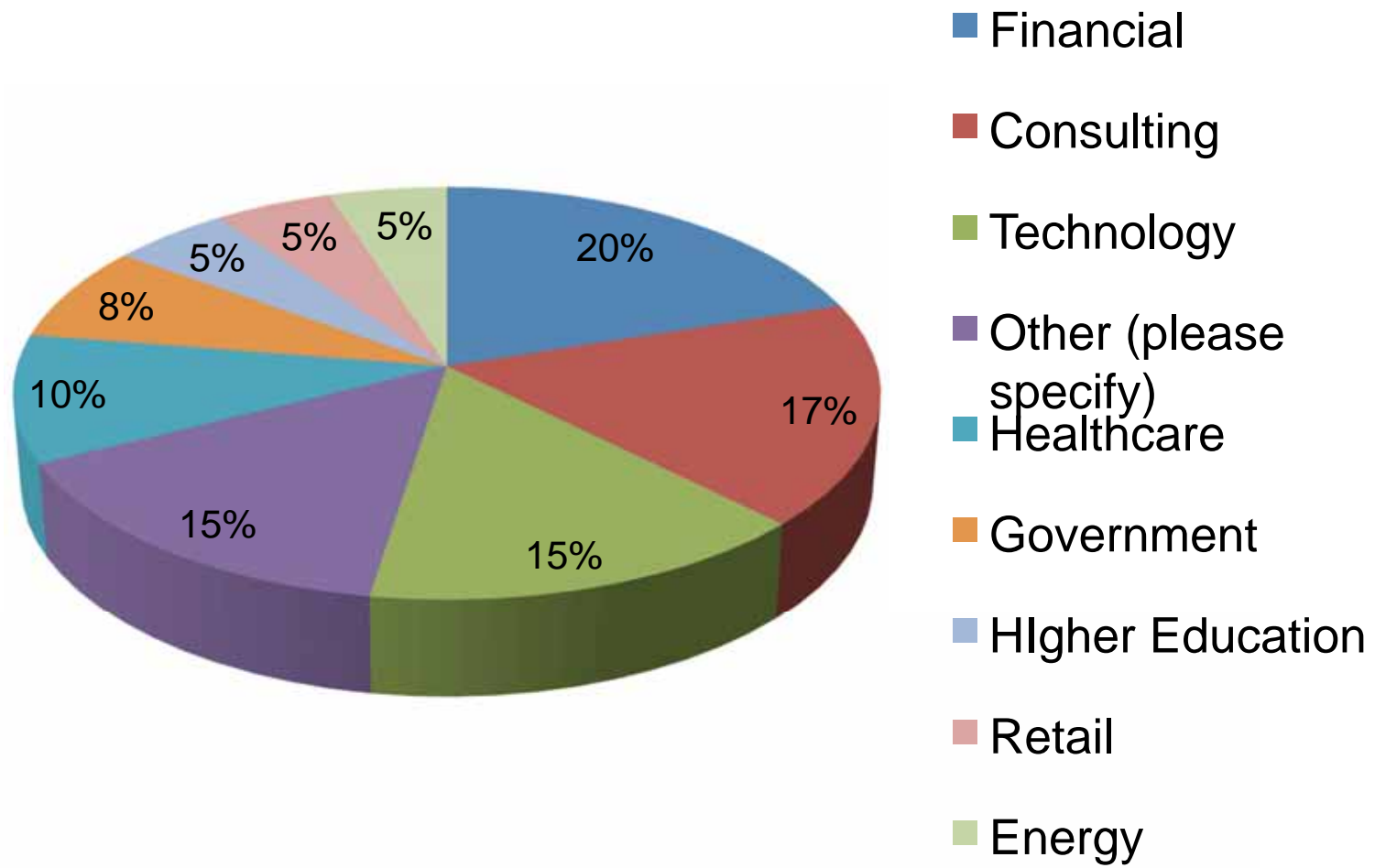
- What is driving change?
- How is new space being built?
- How has RSF/PP changed over time?
- What are the resulting metrics and ratios?
- Is there clear linkage to sustainability?
- What is the expected Return On Investment?

Survey Methodology



- Research Purpose:
Document the drivers, goals and the qualitative values of AWS /
Distributed Work
- Included feedback from 40 global experts
- Utilized online focus group and survey methodologies
- Final research results were compiled 1st Qtr 2012

What is your company's industry?



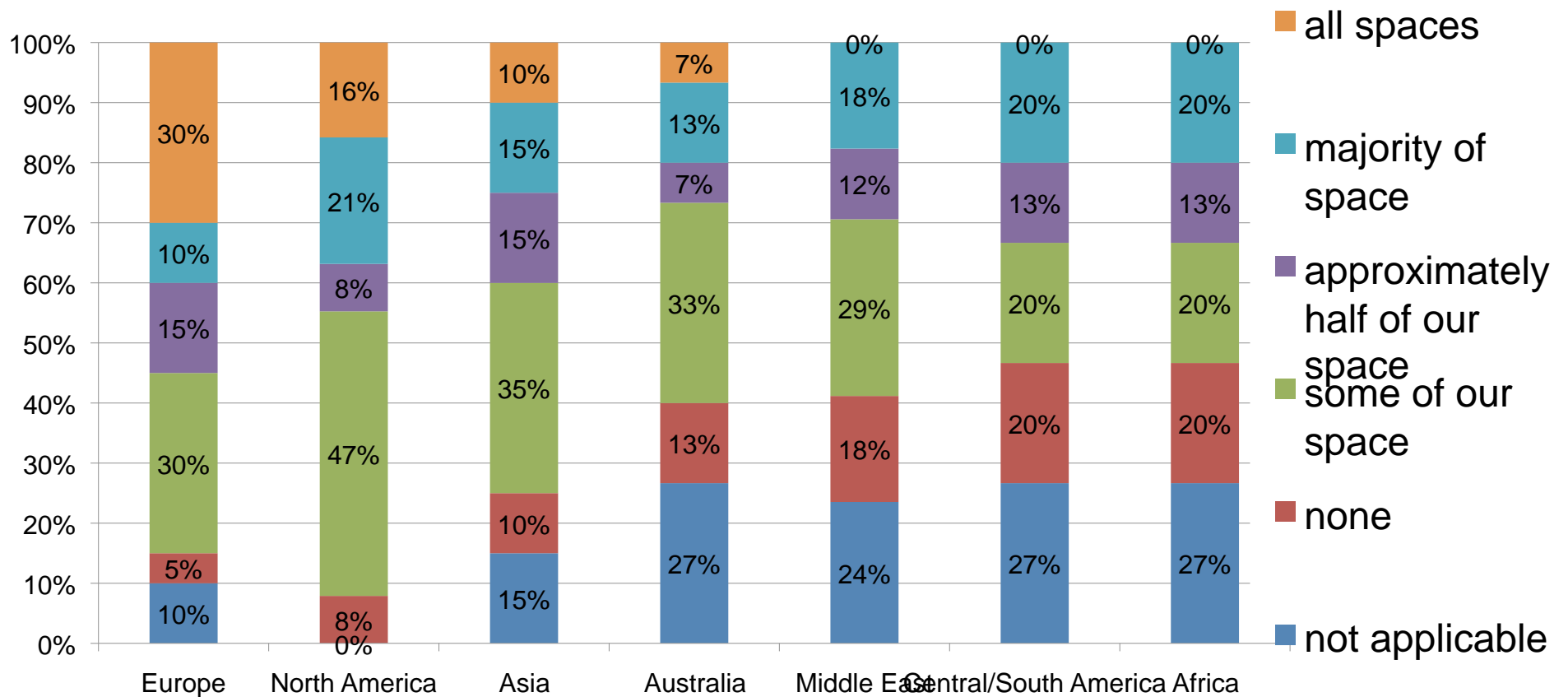


Why did you implement distributed work?

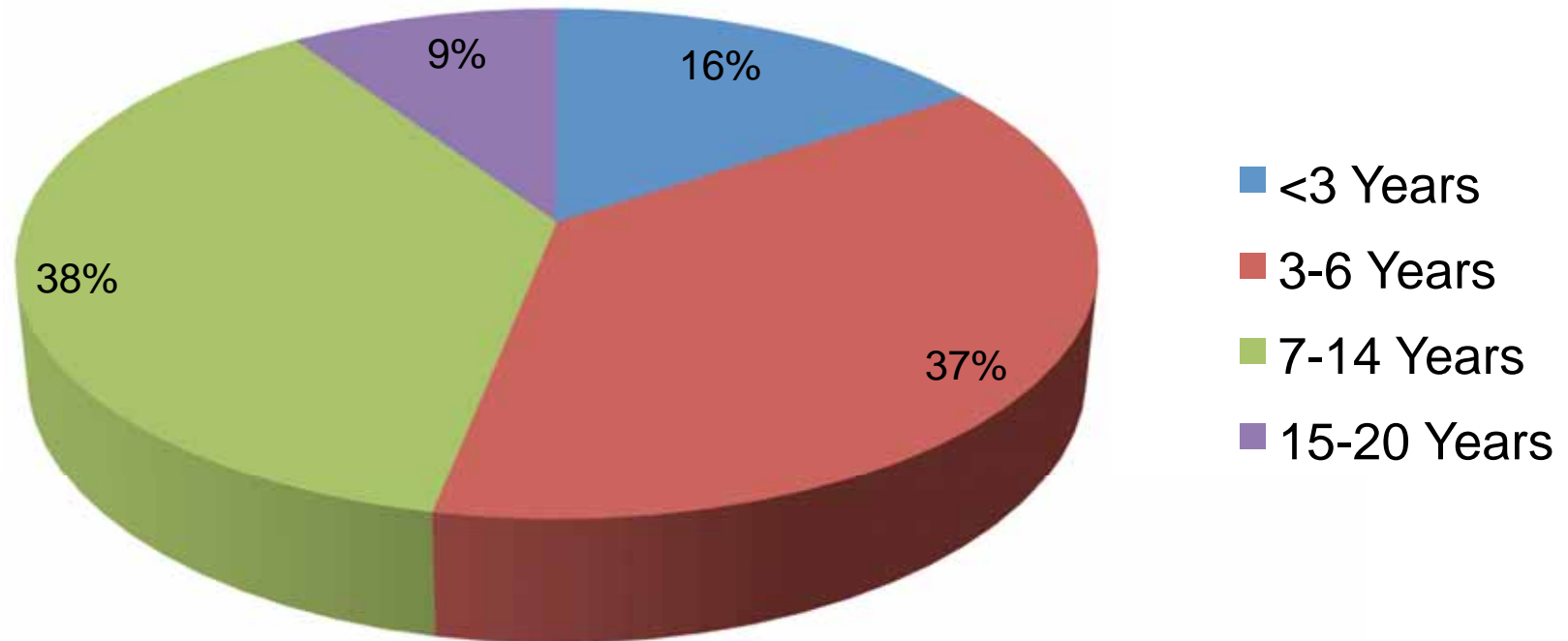
Top Drivers for Implementation	Category
1. Minimize cost	Economics
2. Support effective work process	Productivity
3. Support collaboration/innovation	Productivity
4. Maximize space utilization	Economics
5. Attraction/retention (employee satisfaction)	Satisfaction
6. Environmental sustainability	Sustainability
7. Communicate corporate values to employees	Corporate Image
8. Communicate brand	Corporate Image
9. Ergonomics/health and safety	Safety



Where have you implemented distributed work?

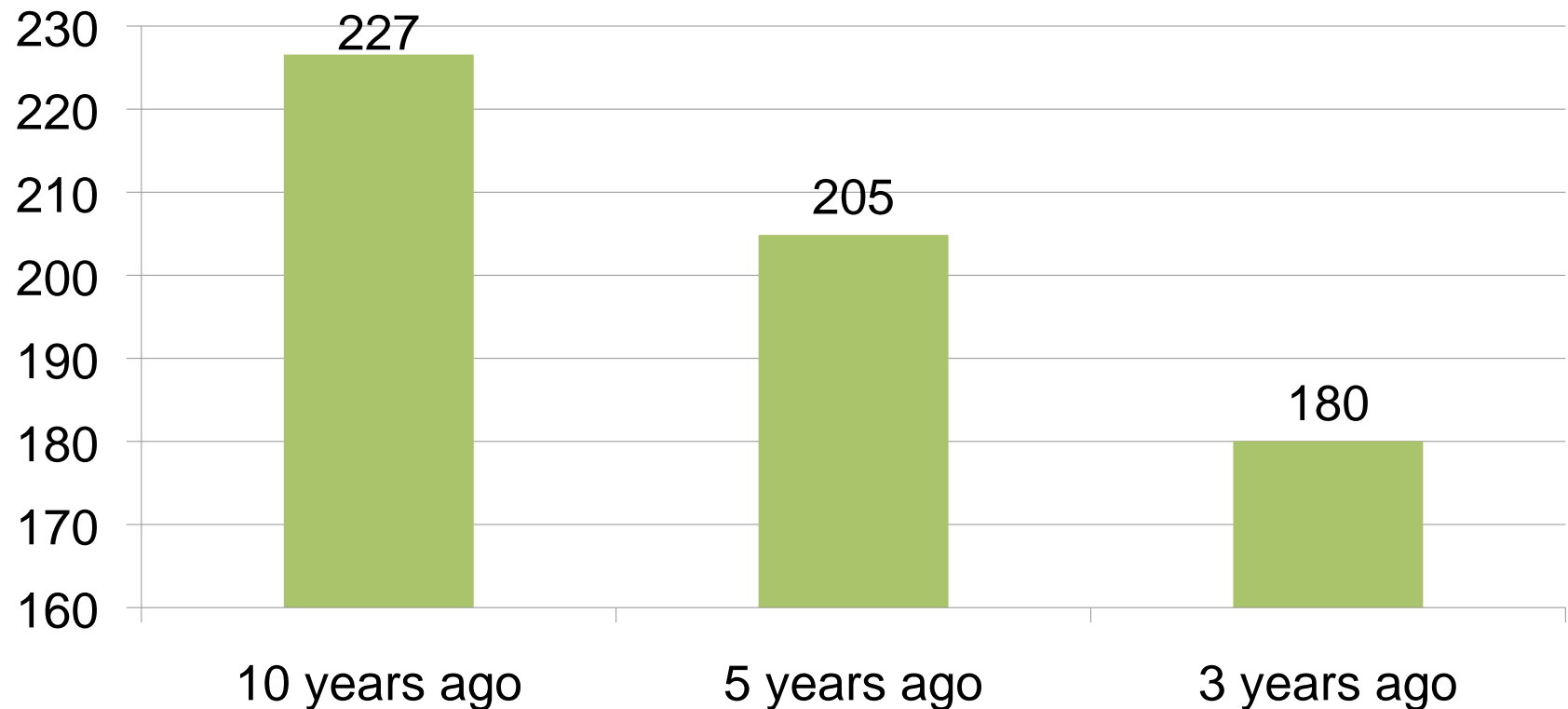


How many years experience with distributed work?

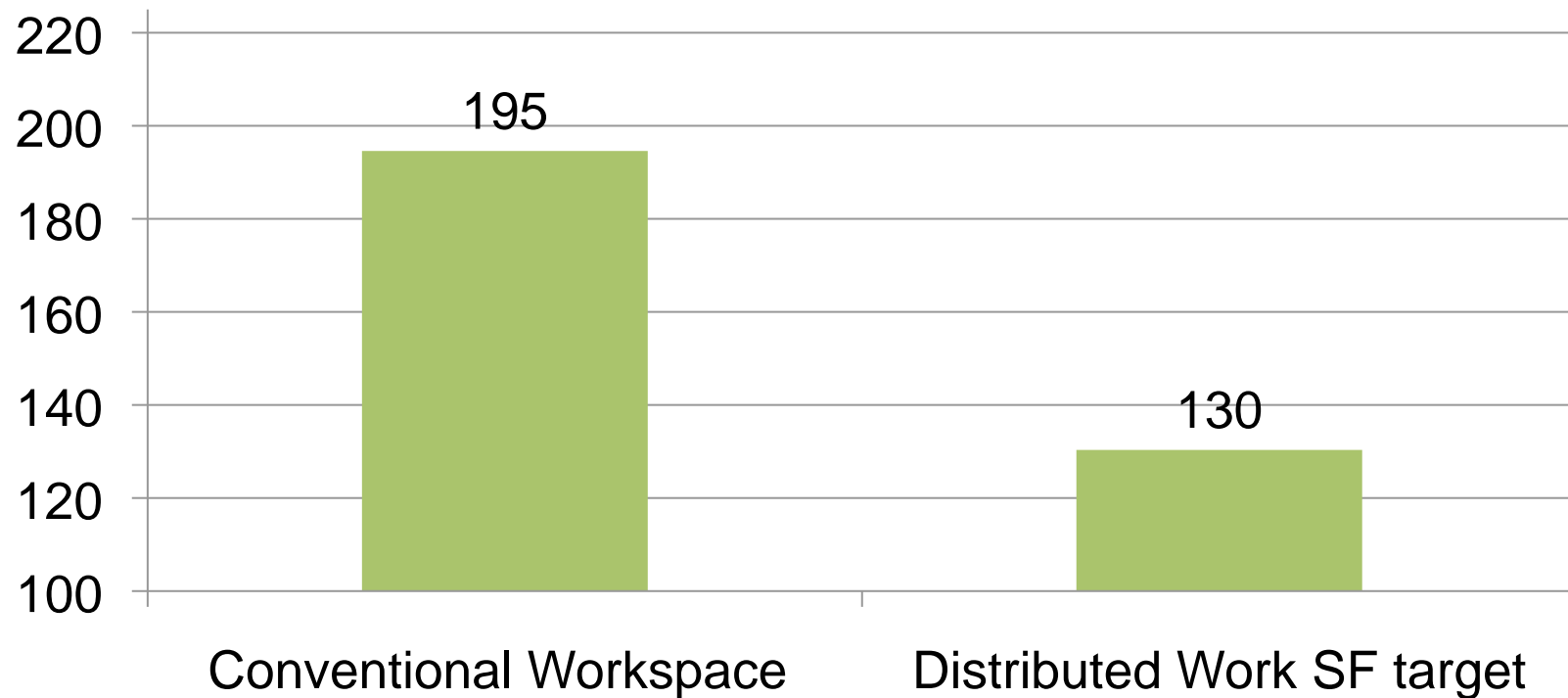


Average length of time = 6.8 years
10 companies have >10 years experience

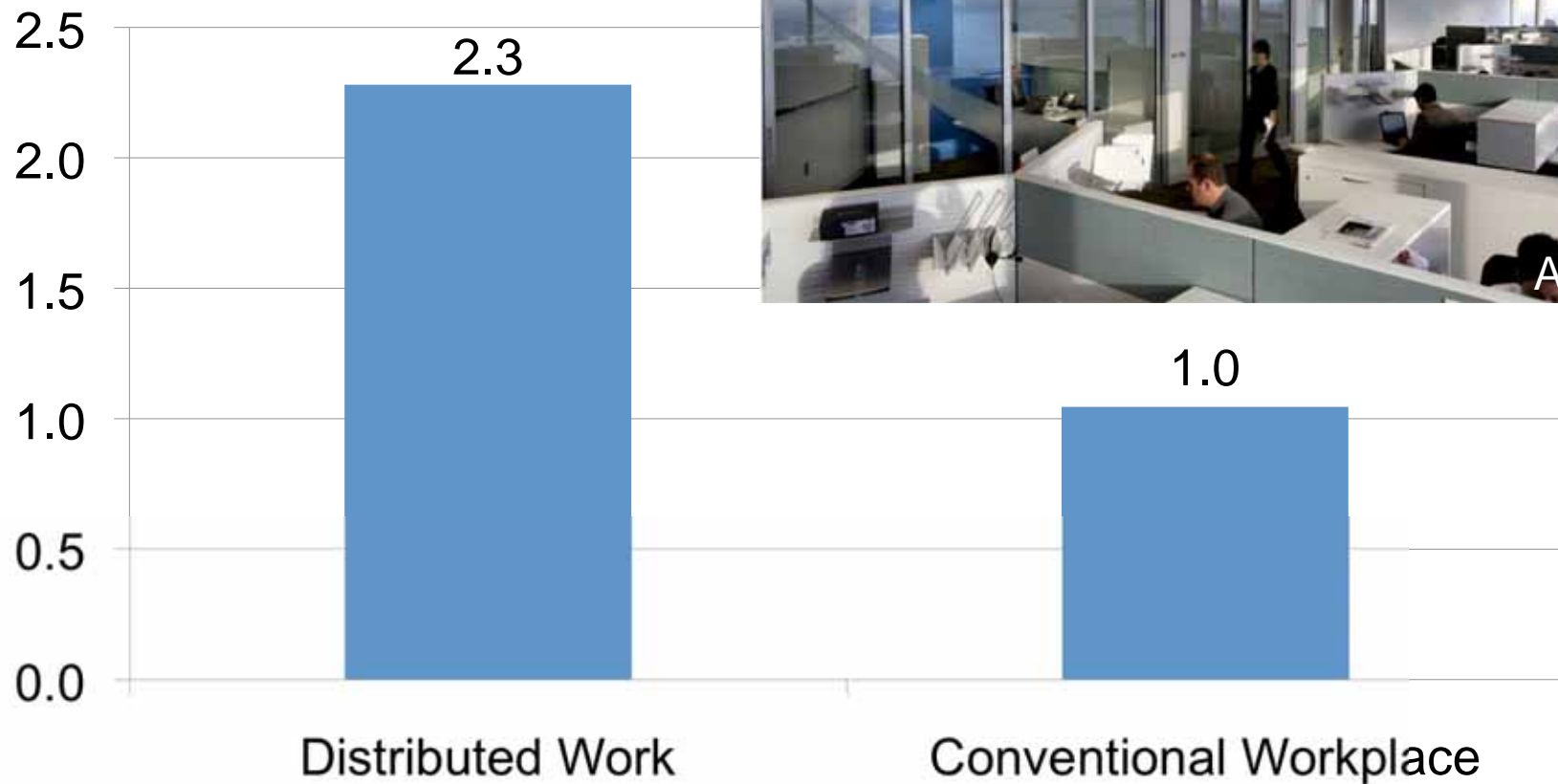
How have your RSF per person targets changed over time?



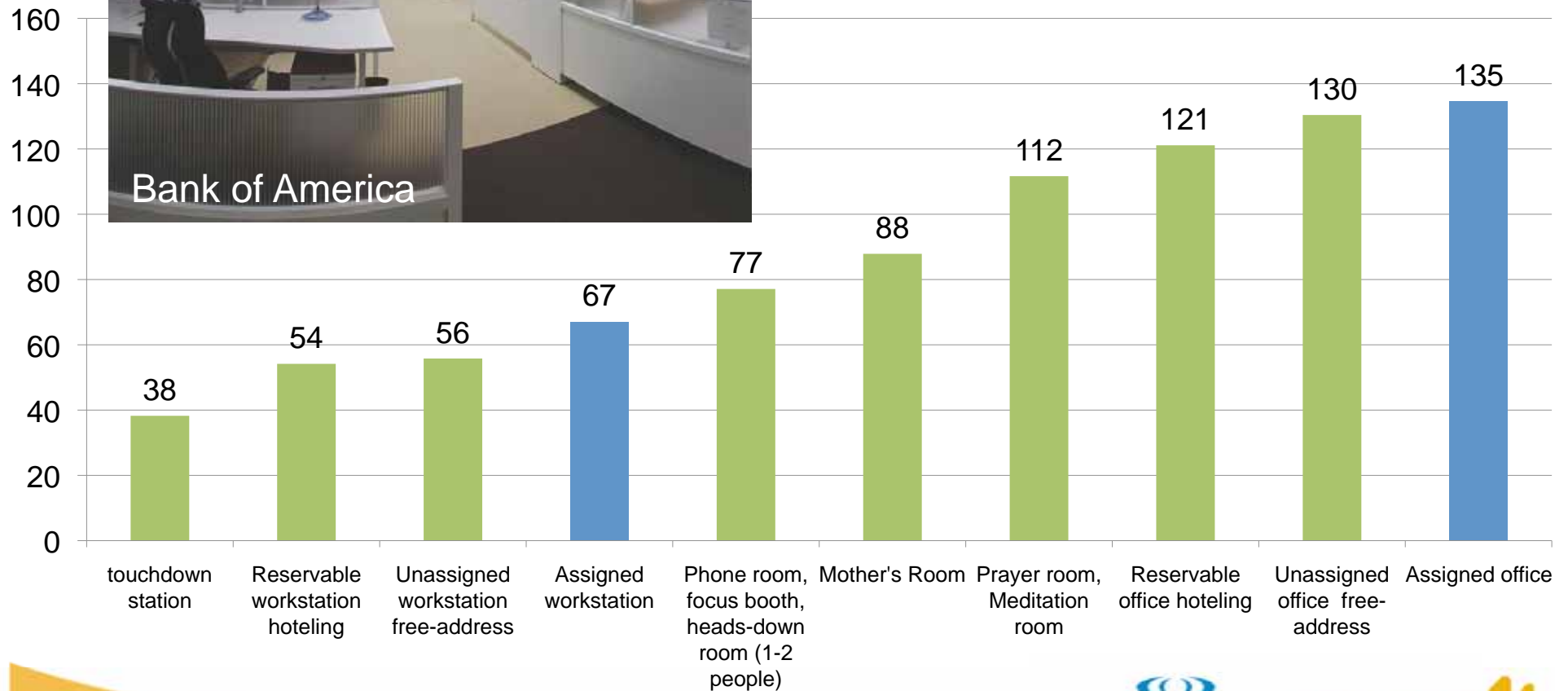
What are your SF/employee targets today?



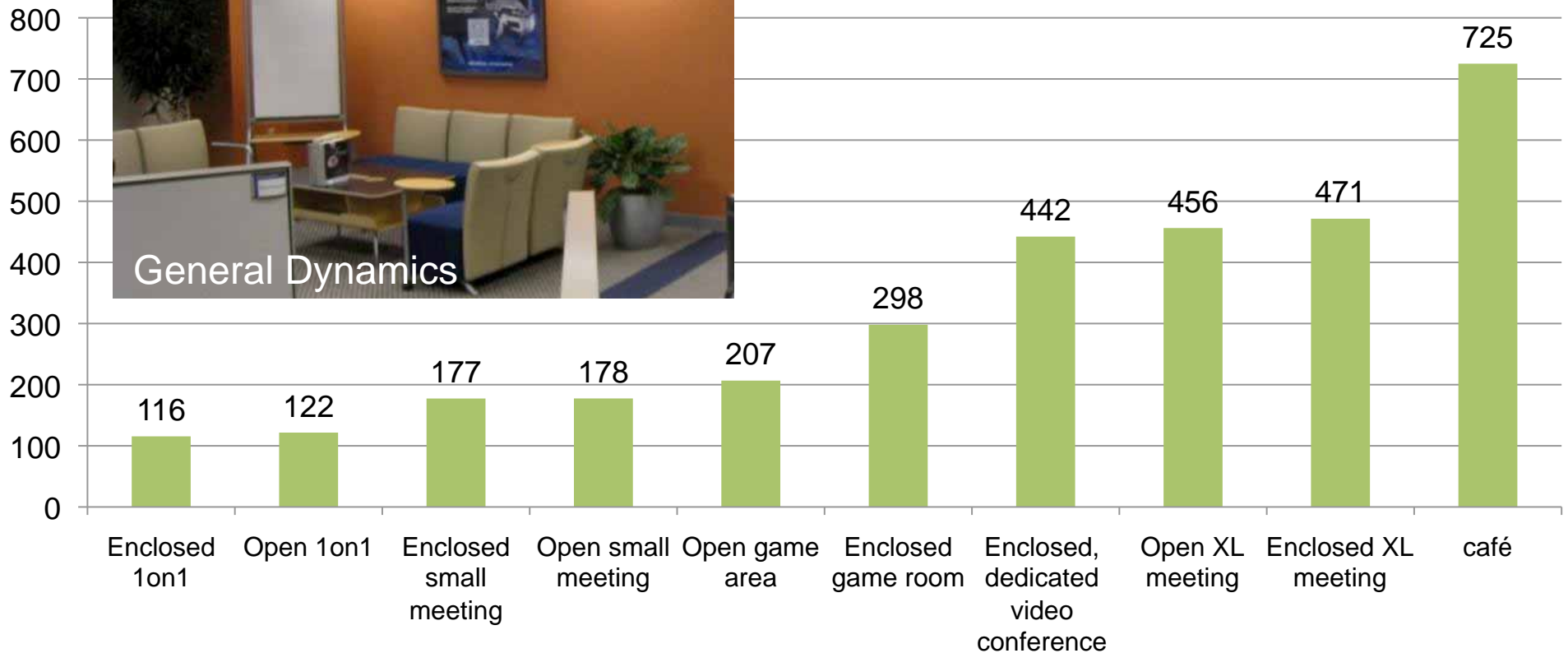
What is your target employee to desk ratio?



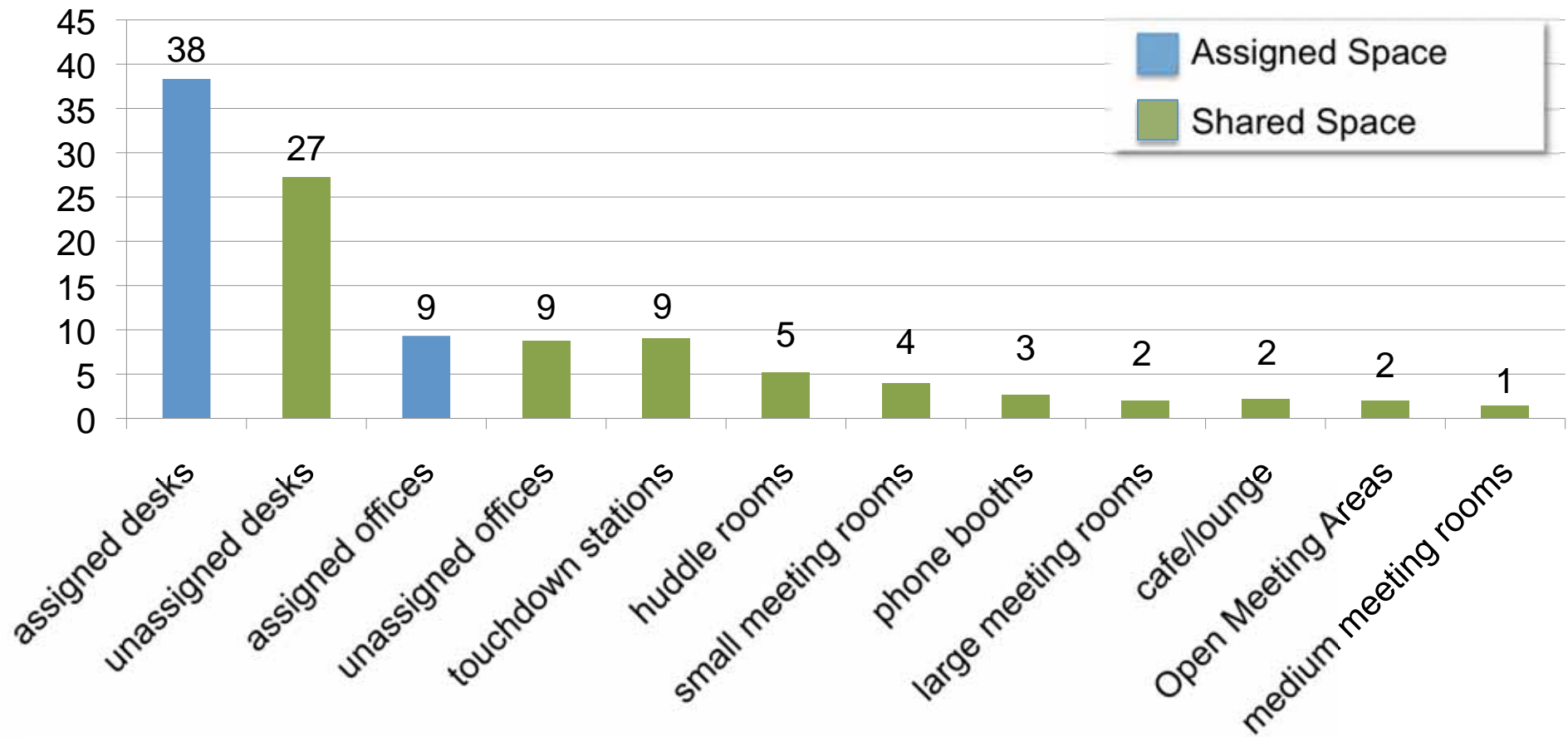
Individual Workspace Types and Sizes in Square Feet



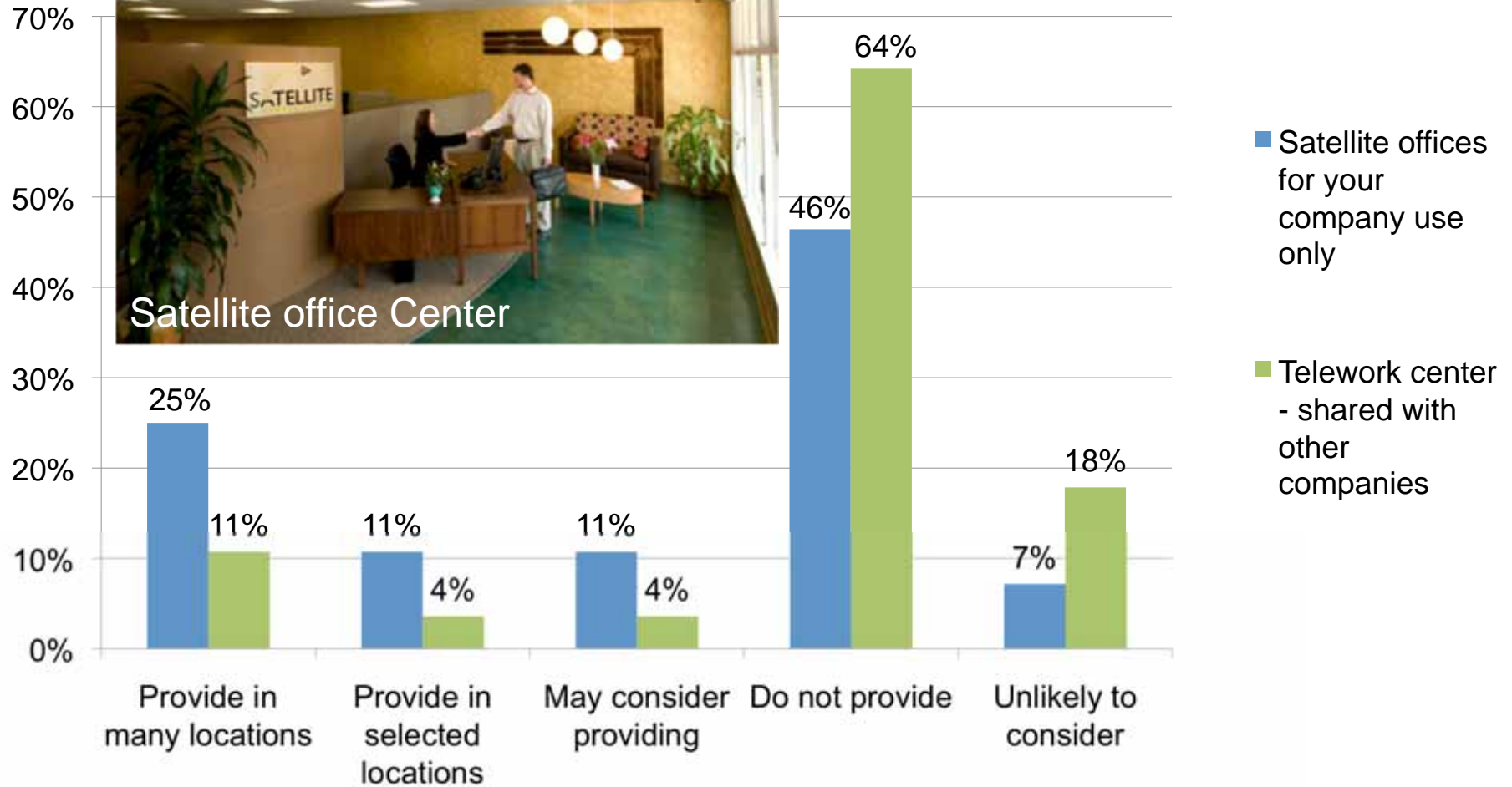
Collaborative Space Types and Sizes in Square Feet



Work settings per 100 workers



Offsite space



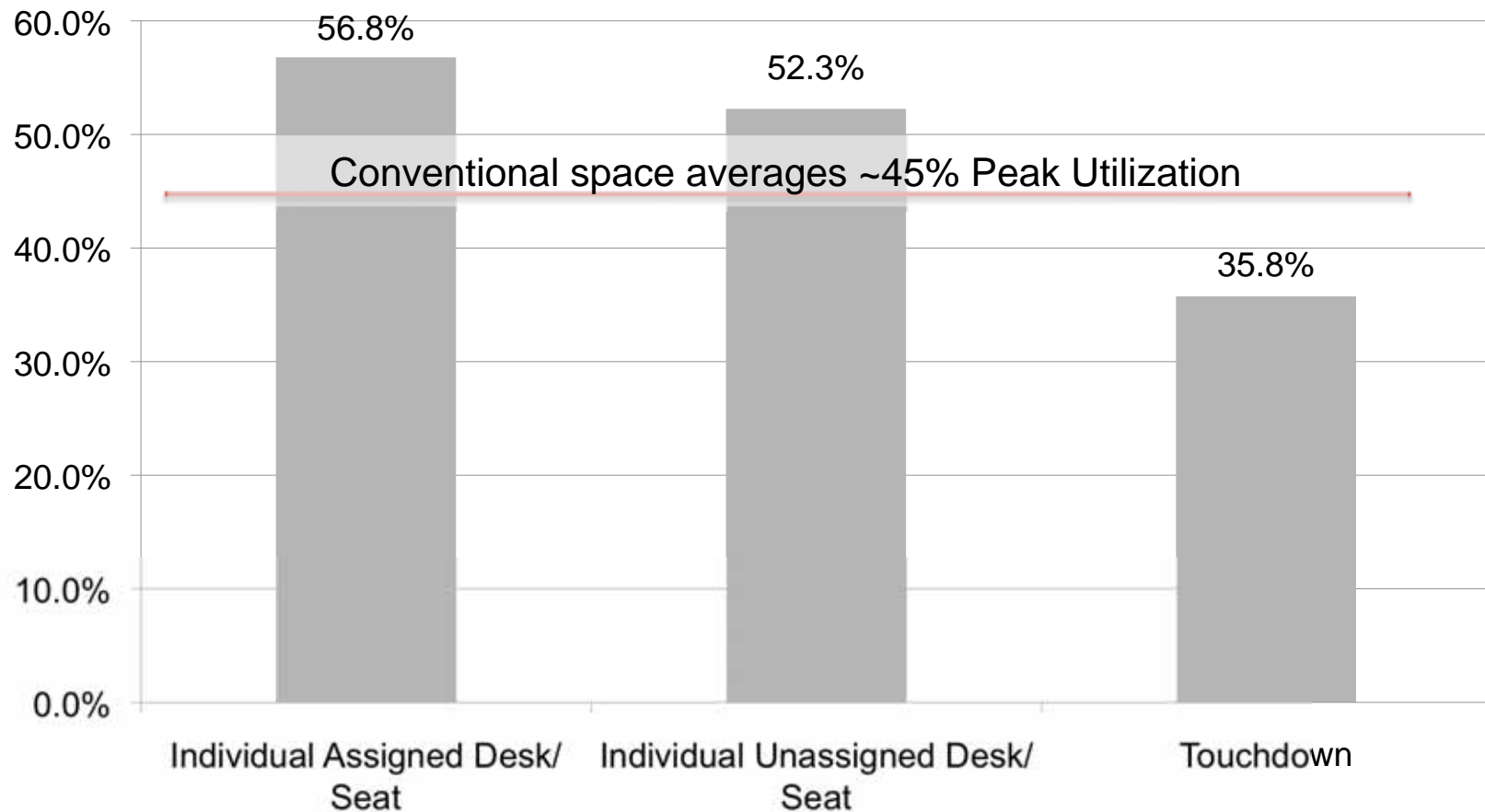
What are companies measuring?



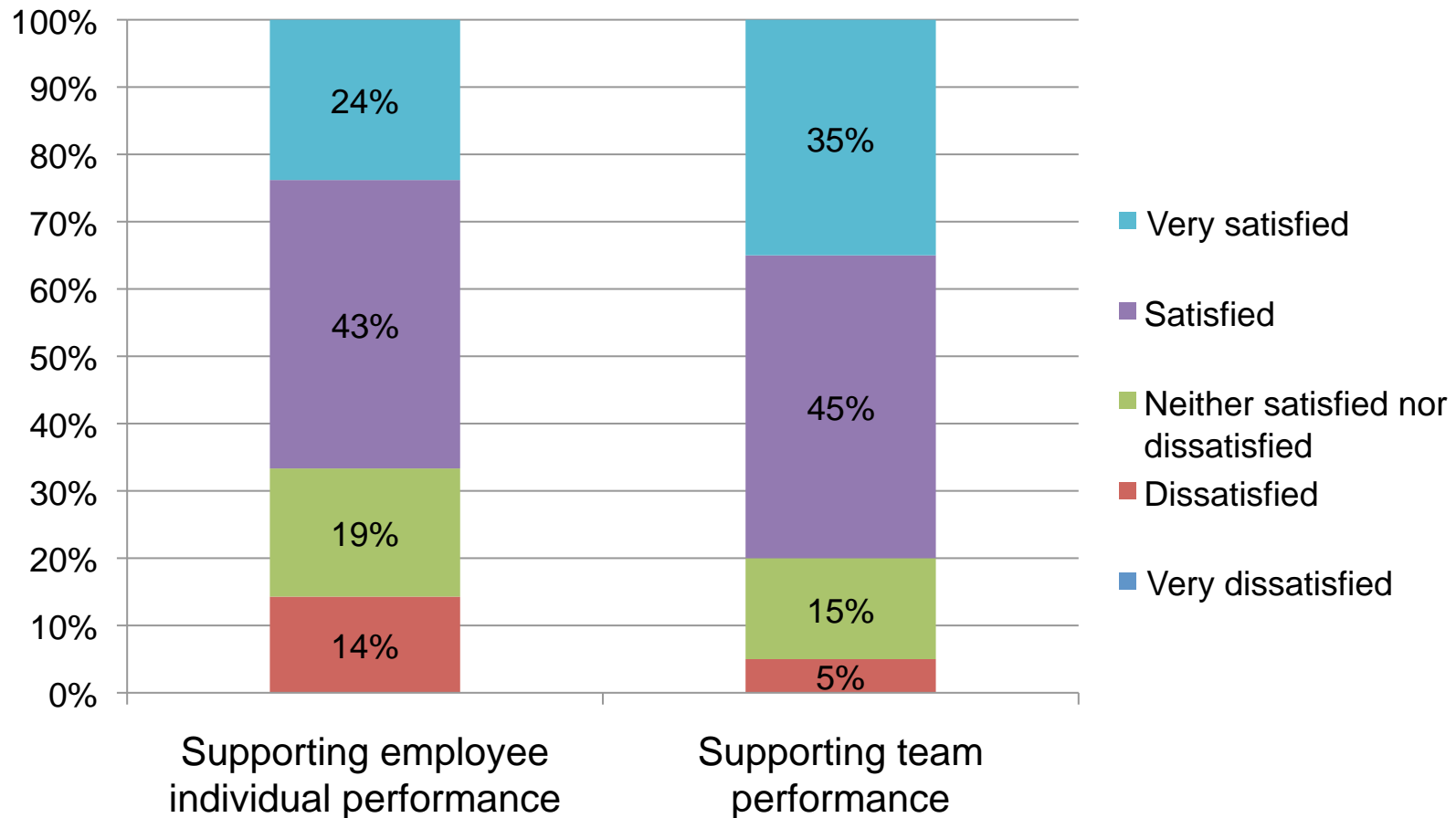
- Seat utilization
- Employee satisfaction
- Sustainability
- Cost reduction



Seat utilization within distributed work settings



Average employee satisfaction



On Sustainability



76% of the participating companies make a **strong** connection between their corporation's position on sustainability and their new workplace strategy...

What's important when moving from fixed to fluid practices?

THE IMPORTANCE OF CHANGE MANAGEMENT

• Business Centric Leadership	7	CITED MORE THAN ONCE  CITED ONLY ONCE
• Strong Management Support	7	
• Intranet tools and training	4	
• Empower workers with choice	3	
• Get Strong Success Early	3	
• Set up Advisory Board	2	
• Interactive Communications	2	
<hr/>		
• Address issues as they arise		
• Determine Voice of the Customer		
• Leverage learnings with other projects		
• Give Choice to Business Leaders		

Fun video clips on work etiquette



WHEN YOU SHOULD **GET A ROOM**



Fun video clips on work etiquette



A LESSON IN CAMPING OUT



Fun video clips on work etiquette



LEARNING TO **STASH IT OR TRASH IT**



What's important when moving from fixed to fluid practices?



THE IMPORTANCE OF CHANGE MANAGEMENT



“Sprint Nextel emphasizes to associates that this is a **change in where they sit**, not in how much they are valued or how much they work.”

Lea Illa Hoover, Sprint Nextel

What's important when moving from fixed to fluid practices?



THE IMPORTANCE OF CHANGE MANAGEMENT



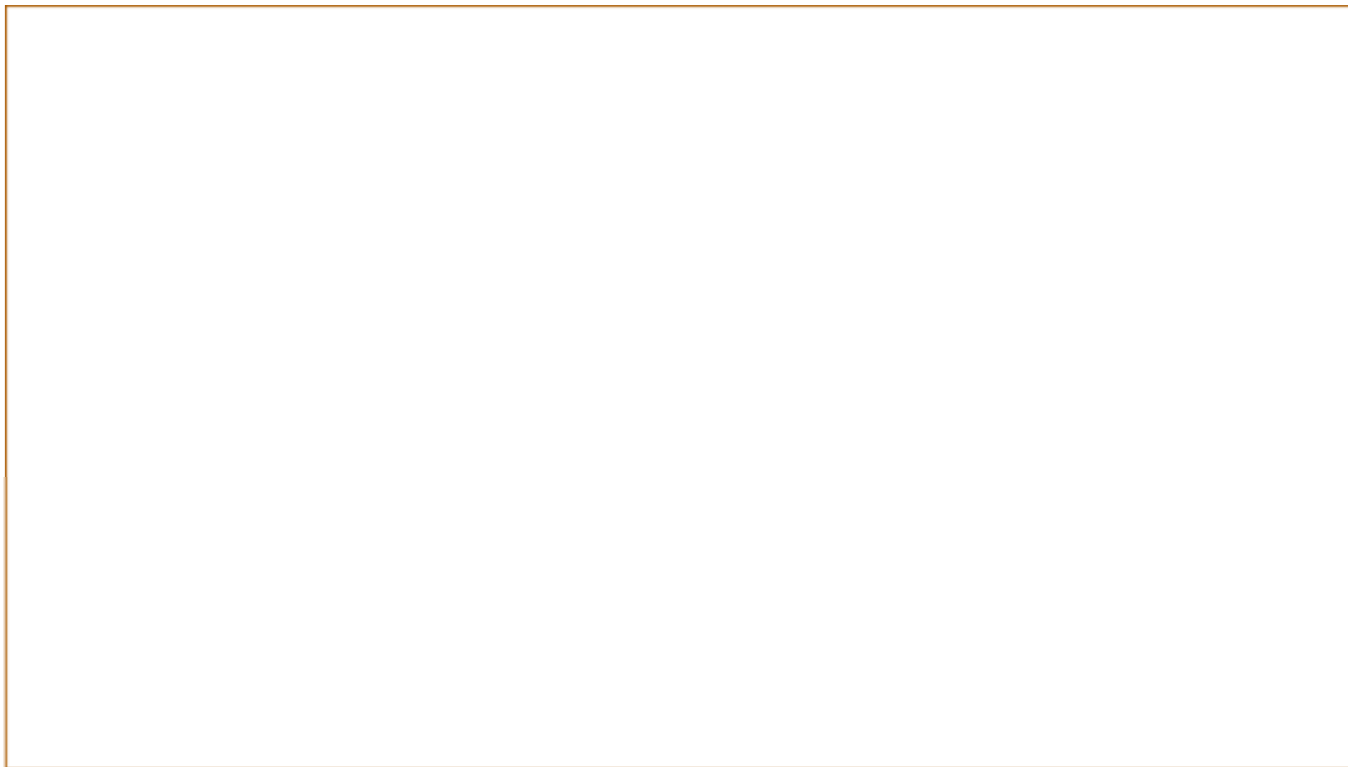
“Our **communication tools** included a project website, regular newsletters, focus groups, design mock-ups, town hall meetings, tours and a pre-occupancy survey.”

Mindy Glover, Rio Tinto

Reinforcing video clips



CHANGE MANAGEMENT Video from Philips



On Economics

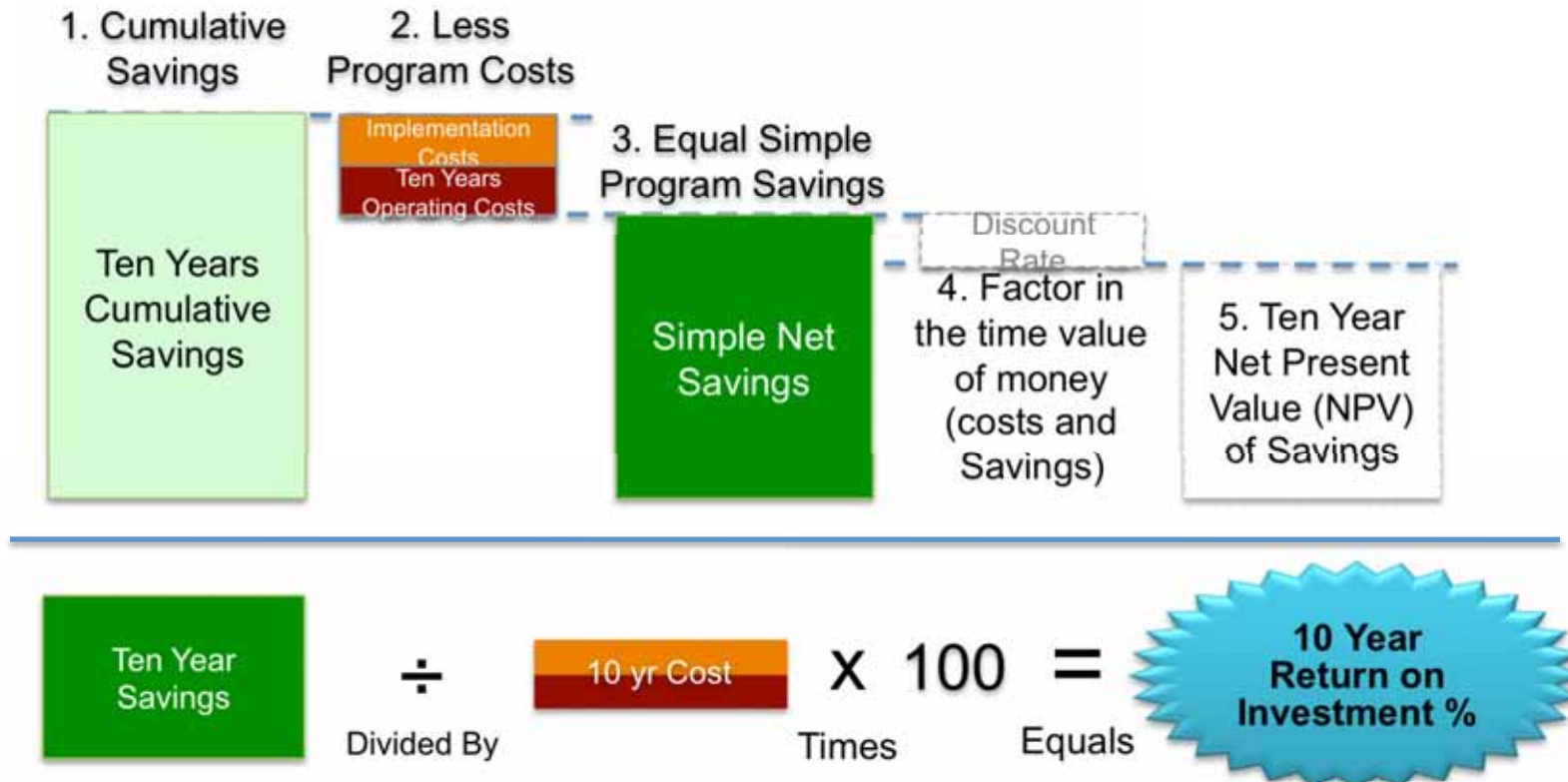


Item	Metric
Average conventional operating cost per square foot	\$20
Average operating cost in distributed work	\$21.4 (+7%)
Average conventional square feet per desk	195
Average square feet per person in distributed work	130 (-33%)
Target employee:desk sharing ratio in distributed work	2.3:1
Average conversion cost per square foot from conventional to distributed work	\$96

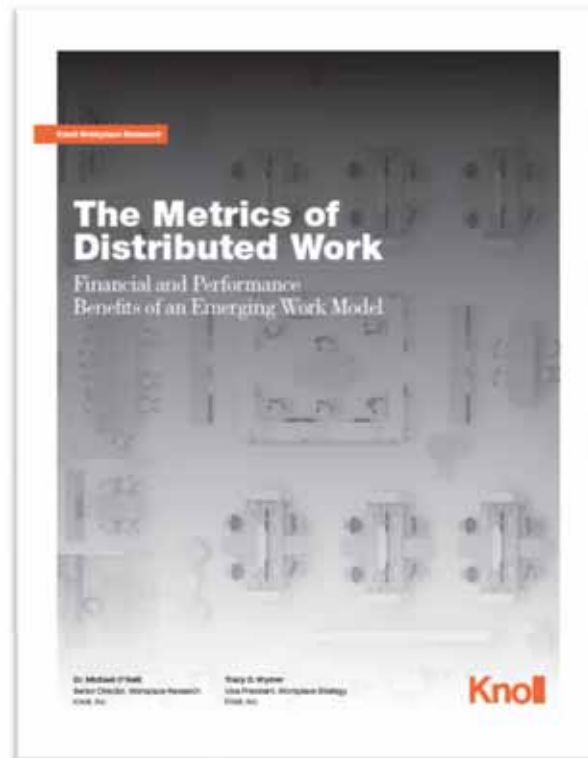
This is why companies pursue new workplace strategies



Study Conclusions: **Ten Year Simple ROI = 105%**
Annualized ROI = 10.5%



Get the full report for free



http://www.knoll.com/research/downloads/WP_DistributedWork.pdf

Also informative: Distributed Work, IFMA Research Report #31



\$60 Member Price
\$120 for Non-Members

<http://www.ifma.org/resources/research/reports/pages/31.htm>

A magnifying glass with a black handle and a silver-colored frame is positioned over the text. The lens is focused on the word "QUESTIONS".

QUESTIONS
And
Answers



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