Workplace Strategy & Sustainability

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Pat Turnbull, MA & LEED AP,
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CHICAGO 2012
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Workplace Strategy & Sustainability
Meet our Presenters:

**Pat Turnbull, MA & LEED AP,
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**Dr. Alexander Redlein, IFM,
Vienna University of Technology**

Workplace Strategy & Sustainability

Learning Objectives:

- Understanding Workplace Strategy & Why Is It Important

- Aligning Workplace Strategy Goals With C-suite Objectives For Enhanced & Sustainable Work Environments

- Methodology For Developing Workplace Strategy With Steps For Creating A Tailored, Measureable Program

- Case Studies Showing How Workplace Strategy Delivers Triple Bottom Line Results.

Why is strategy important?
Strategy creates an aligned vision for achieving goals

'*The first step toward creating
an improved future
is developing the ability to envision it.*'
Anonymous

The C-Suite uses strategy to direct
& focus all individual & departmental activities
towards common goals. In turn, this:

* sets business priorities
* drives resource allocation
* rationalizes budget requirements

Strategic & Annual planning are critical activities
Planning establishes long & short-term goals

Cross-Functional teams work with the C-Suite to develop long-term 'strategic' objectives and annual goals.
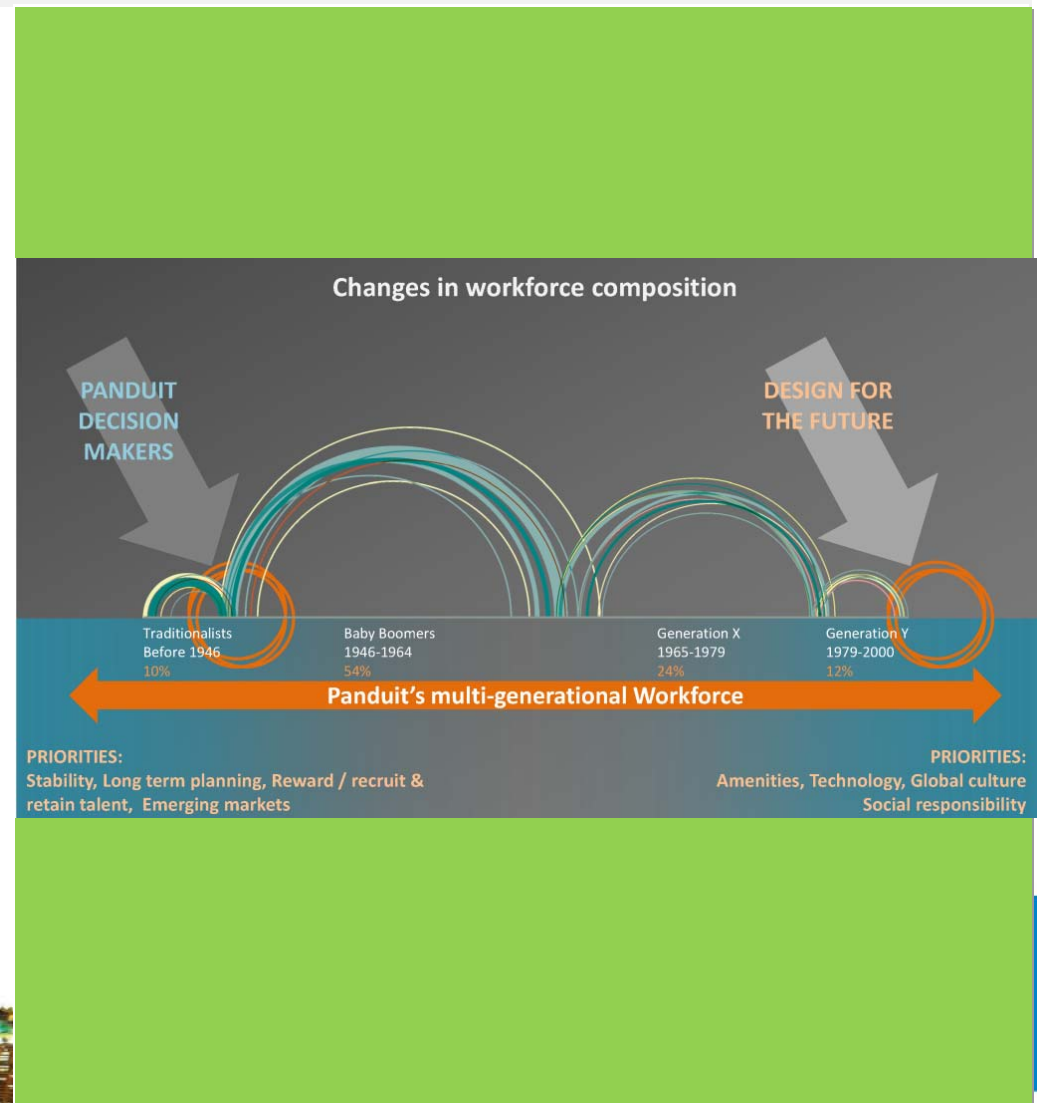
Facility Management becomes part of the strategic agenda when you articulate & demonstrate how your activities contribute to key corporate objectives.
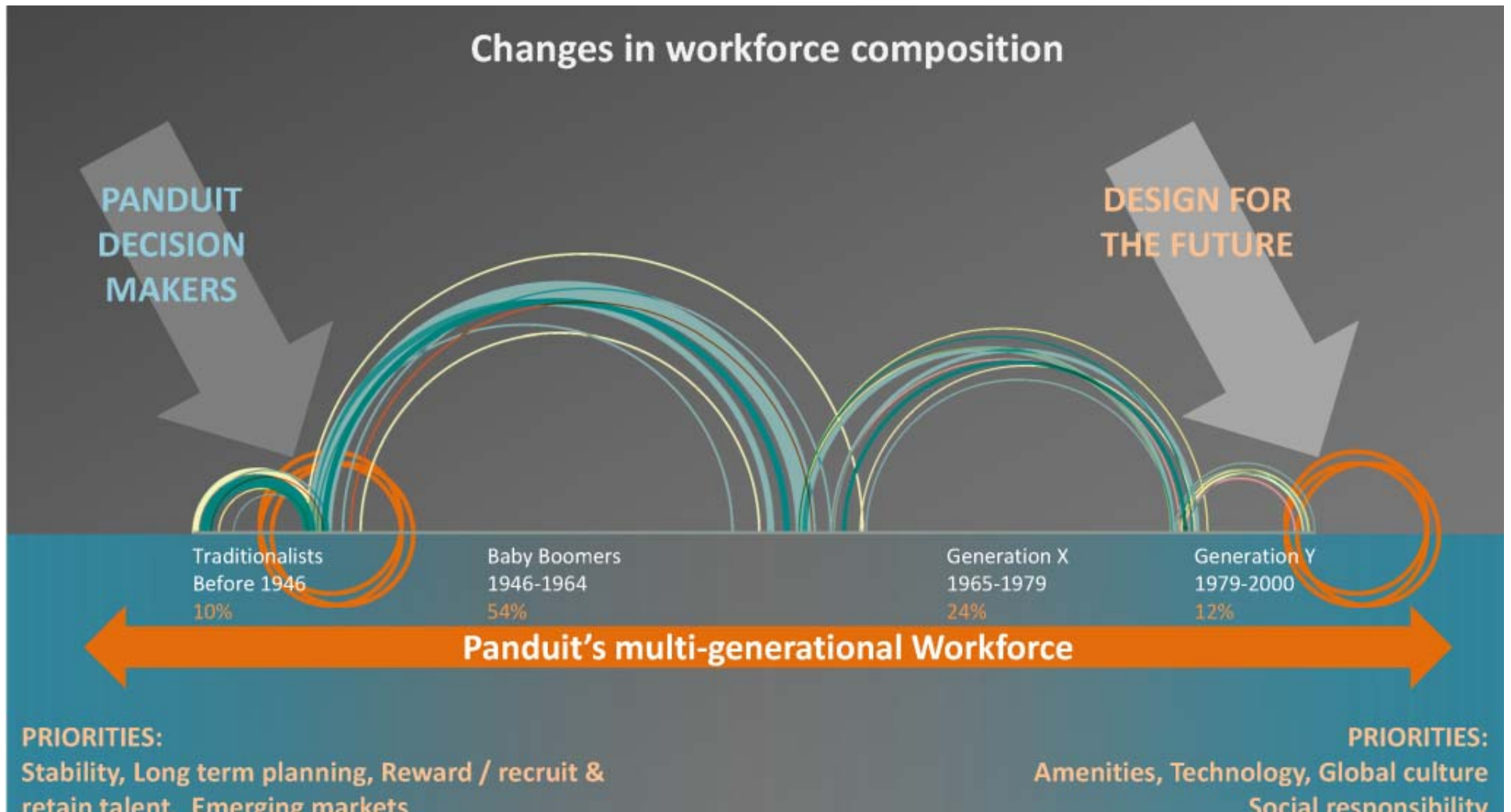
Workforce challenges / Workplace as a Solution
...and other issues are critical to the C-Suite agenda:

Towers Watson, 2010 study: 'Strategies for Growth', surveyed of more than 700 Global companies to identify the 4 top C-suite workforce areas of concern as:

1. Loss of **talent** in key skills areas
2. Lack of **succession** planning/management
3. Inability to **attract** & **retain** talent
4. Low levels of employee **engagement**

Changes in workforce composition

PANDUIT DECISION MAKERS

DESIGN FOR THE FUTURE

| Traditionalists Before 1946 10% | Baby Boomers 1946-1964 54% | Generation X 1965-1979 24% | Generation Y 1979-2000 12% |

Panduit's multi-generational Workforce

PRIORITIES:
Stability, Long term planning, Reward / recruit & retain talent, Emerging markets

PRIORITIES:
Amenities, Technology, Global culture
Social responsibility

Consider the challenges...

Changes in workforce composition

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Panduit's multi-generational Workforce

PRIORITIES:
Stability, Long term planning, Reward / recruit &
retain talent, Emerging markets

PRIORITIES:
Amenities, Technology, Global culture
Social responsibility

Understand your company's strategic goals
Sustainability is a major aspect of Corporate Social Responsibility

CEO *think:*

~ Healthy, safe work environment

~ Increase Shareholder Value

~ Attract & Retain Talent

~ Drive Cost Efficiency

~ Increase worker productivity

~ **Advance Corporate Social Responsibility**

~ Evolve Organizational Culture

~ Foster Innovation & Effectiveness

Align FM Activities & Drive C-suite understanding
…to deliver enhanced & sustainable work environments

Only in last decade has WPS evolved beyond traditional RE portfolio & space planning to deliver triple bottom line (people, planet, profit) results critical to business performance.

Understand Workplace Trends
'Sustainability' a key 2012 Workplace Trend:

'Designing environments that enhance individual performance, foster collaboration & contribute to the holistic well-being of employees accelerates 'mission-critical' success'.

TOP 10:
1. **Integration** of Workplace Solutions:
2. Promote **Sustainability**
3. Inclusive Workplaces
3. It's all about ME: Rewards & Recognition
5. Virtual Workforces
6. Built Environment as a driver of **Employee _Engagement_**
7. Evidence-based Space Design
8 Quantifiable Employee **Health & Wellness** Initiatives
9 Psychological Health
10 Flexible Workplaces

Research: 1000 client sites, review of academic & trade journals, industry association contents (SHRM, APA, IFMA, Corenet
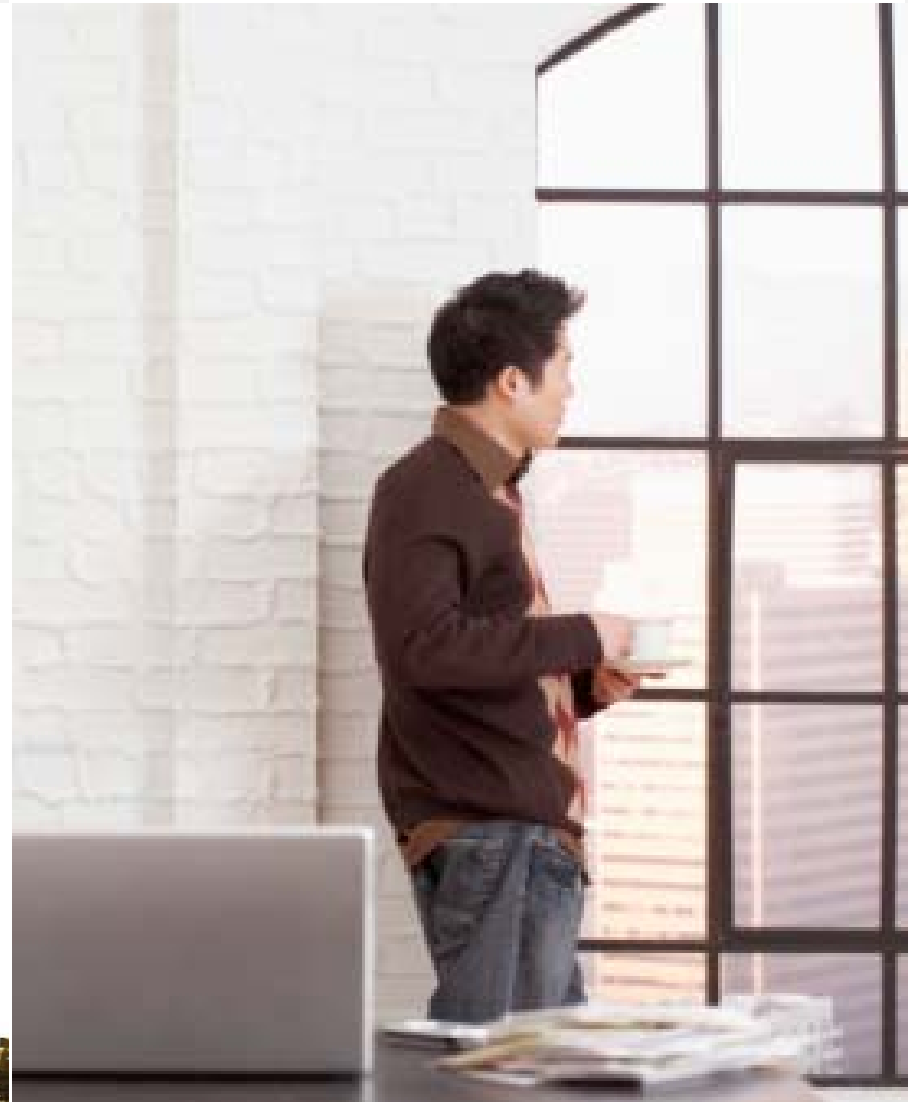
Connect Workplace Strategy & Sustainability
Optimal use of the 'work space' drives sustainable results

Businesses become more sustainable through:

- effective use of space
- better design planning
- intelligent application & use of technology
- integration of operating systems for improved visibility of building performance.

SUSTAINABILITY

Sustainability and LEED Goals continue to drive design and space needs.

3.5 to 10%
more productivity with well-designed sustainable solutions

"Sustainable Workplace Design Creates Innovation Opportunities," Buildings.com

What this means to you...

FM professionals who…

- develop a strategic mindset,

- drive C-suite understanding of the impact of FM can have on strategic initiatives,

- lead the conversation regarding Workplace Strateg[y] & Sustainability,

- work effectively with cross-functional teams

- monitor, measure & report results

…will be tomorrow's business leaders

Leading Change

Creating a Shared Need
Shaping a Vision
Mobilizing Commitment

Current State   Transition State   Improved State

Making Change Happen
Communicating About Change
Making Change Last

Realigning Systems and Structures
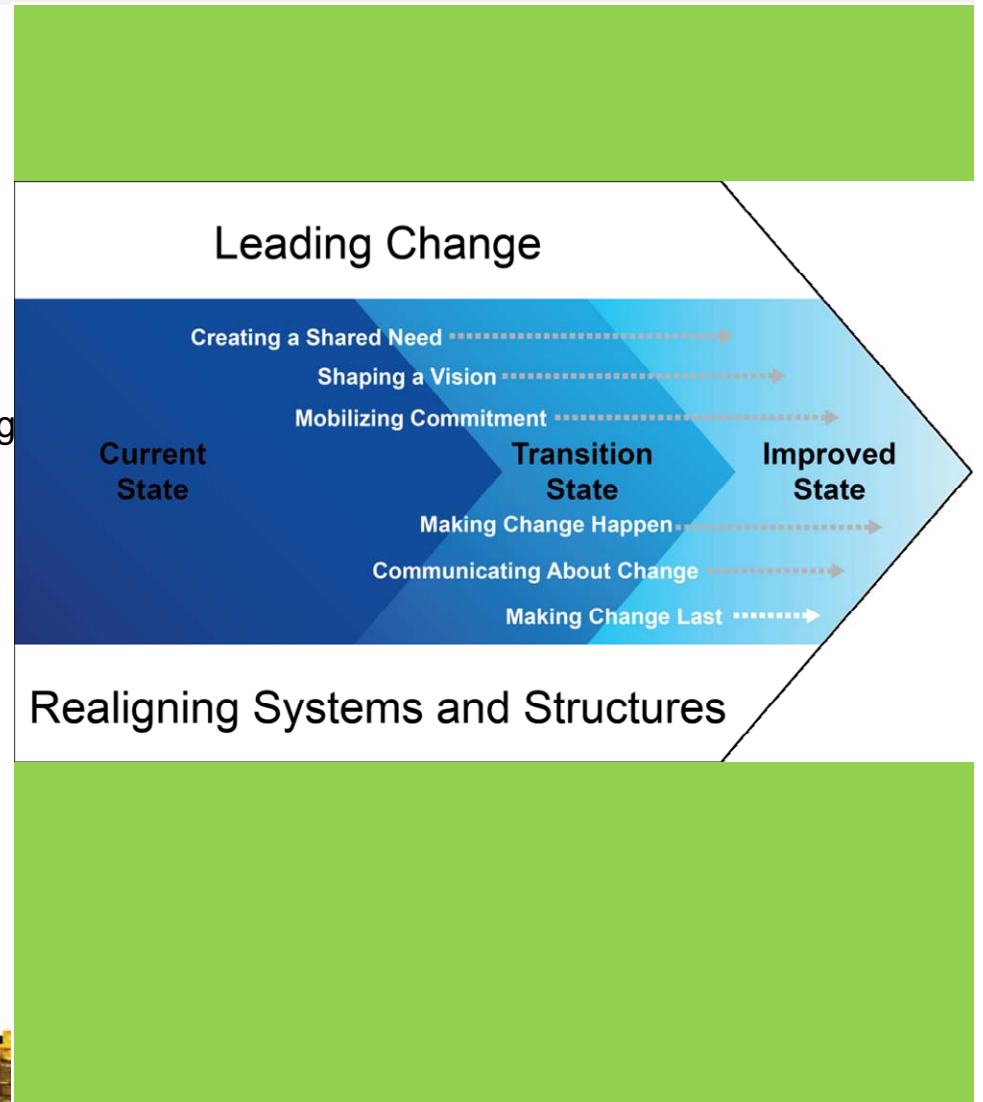
Developing Workplace Strategy
7-step Methodology

1. Define & Align WPS goals
2. Define the Team of Key Stakeholders
3. Define or Categorize Processes
4. Develop Measurement & Reporting tools
5. Conduct RE evaluations & initial space design
6. Coordinate & guide project delivery team
7. Implement change management processes
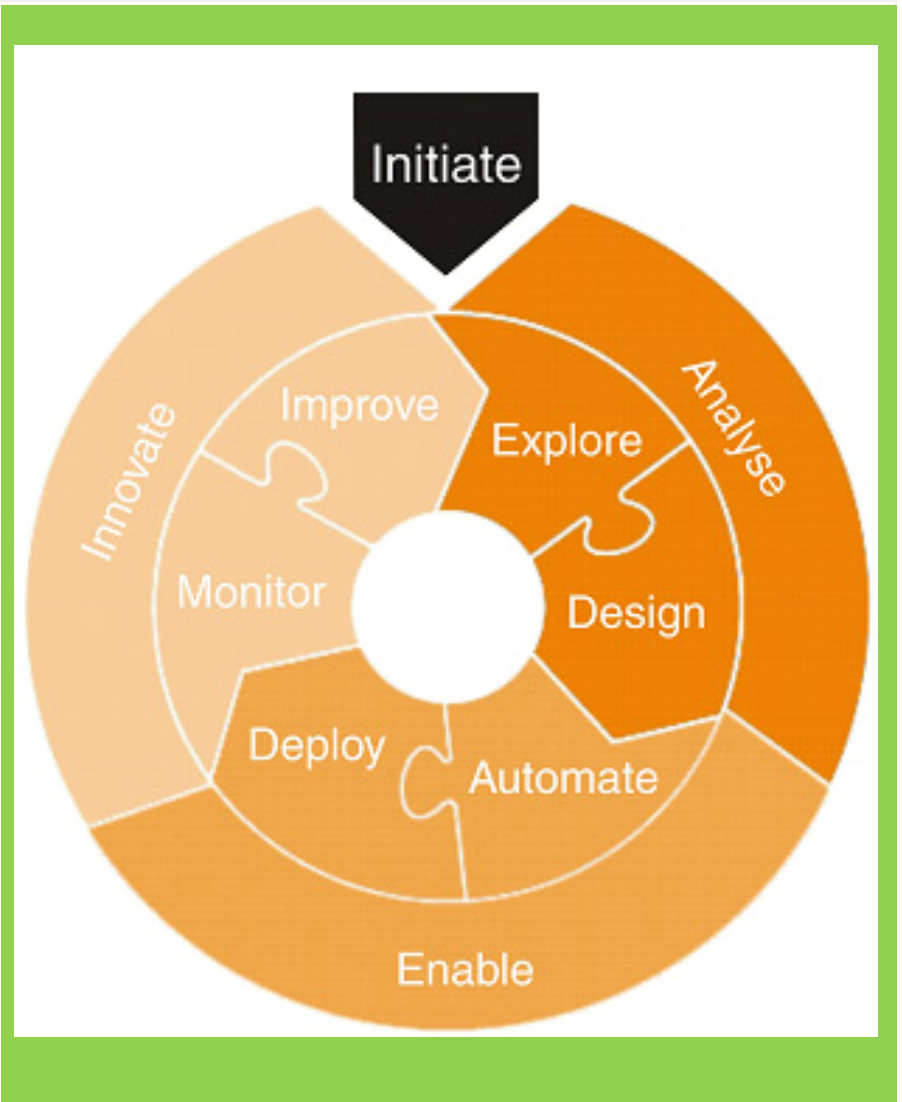
1. Define & Align Workplace Strategy Goals

- Lack of C-suite support is #1 cause of workplace strategy failure (70% failure rate!)*

- Strategy should be developed/implemented together with key stakeholders**

- Goals should be measureable in order to evaluate the success of the project***

*   Managing Change, Stephen Warrilow, Novemver 2009
**   WPS – What it is and why you should care, Anika Ellison Savage,
     Journal of Corprate Real Estate, Vol 7, #3, 2005
*** Advance Workplace Strategy, JLL, 2007

Case Study
Panduit Corporation

The 'EBS' model evaluates options through a consistent
set of filters for efficient decision making & consensus building
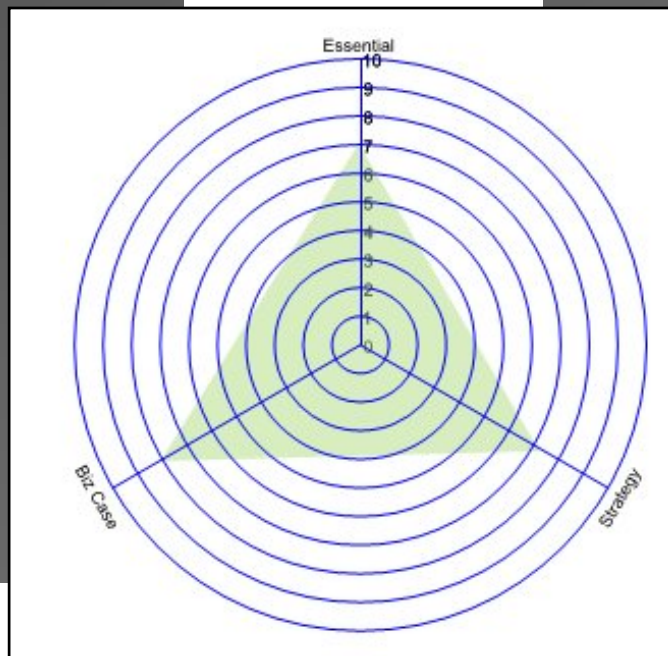
E: Essential
Essential to building
operation

B: Business
Financial analysis of
business case

S: Strategy
Strategic considerations
aligned with core goals

Case Study
Panduit Corporation

'EBS' Model - Analysis Overview

Min. Passing 'EBS' Score: 21

PANDUIT Essential Rating	~7
PANDUIT Biz Case	~7
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'E' ESSENTIAL building functions
✓Lower energy costs
✓Lower overall operating costs
✓Future-minded building
✓Enhanced occupant experience
✓Sustainable / LEED
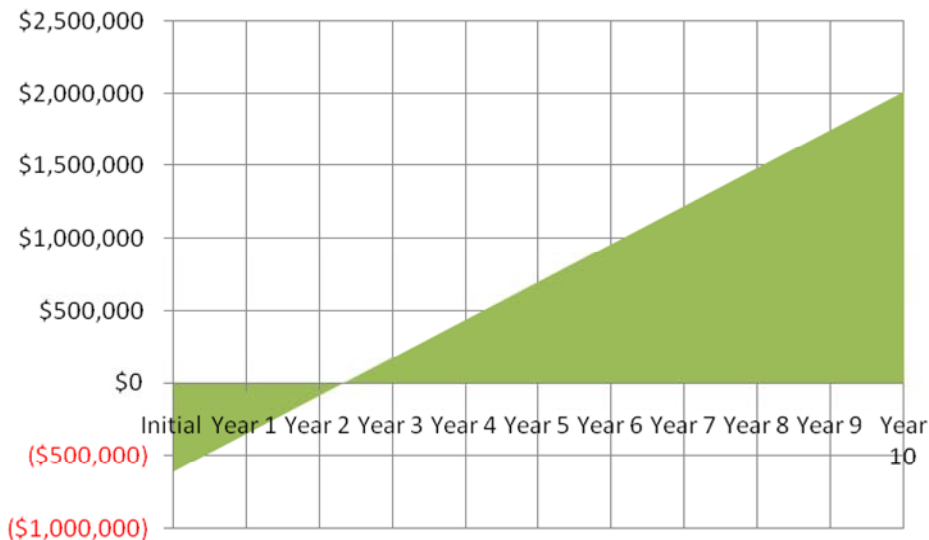
'B' BUSINESS Case analysis
Incremental investment	$600,000
Total savings (10 years)	$2M
Desired payback period	<3 years

'S' STRATEGIC Alignment
✓Corporate goals
✓Environmental goals
✓Marketing goals
✓Partner & Distributer goals

2. Define Stakeholder Team

Key stakeholders will drive the entire strategic planning & implementation process. Cross-functional input and buy–in are <u>critical</u> for ultimate project acceptance.

1. C-Suite Sponsorship
2. Functional area leadership
   - Employee Representatives
   - Human Resources
   - Operations
     – to gain available information about planned developments in the organization
   - ICT department:
     – access to all data from every workplace,
     – telecommunication like VOIP devices

3. Define & categorize processes as well as communication needs/methods

- Using the following criteria, define & categorize work processes:
  - Routine / Complex
  - Individual / team; project
  - In-house / Outside
  - Contact with customer: Intensive, frequent, rare, none
- Understand Communication requirements & methods
- Define infrastructure requirements, including capacity planning

Example: Process characteristics

Routine (R) or Complex (C)	In house (IH) or Outside (OS)	Individual (I) or Team/project (T)	Contact with customer: Intensive, Frequent, Rare or None
50% **R** 50% **C**	**IH** with client contacts	**I** w/ consultation; no project work	
	IH alternate back & front office; Site visits	**T** w/ consultation; project work	

Example: Communication requirements
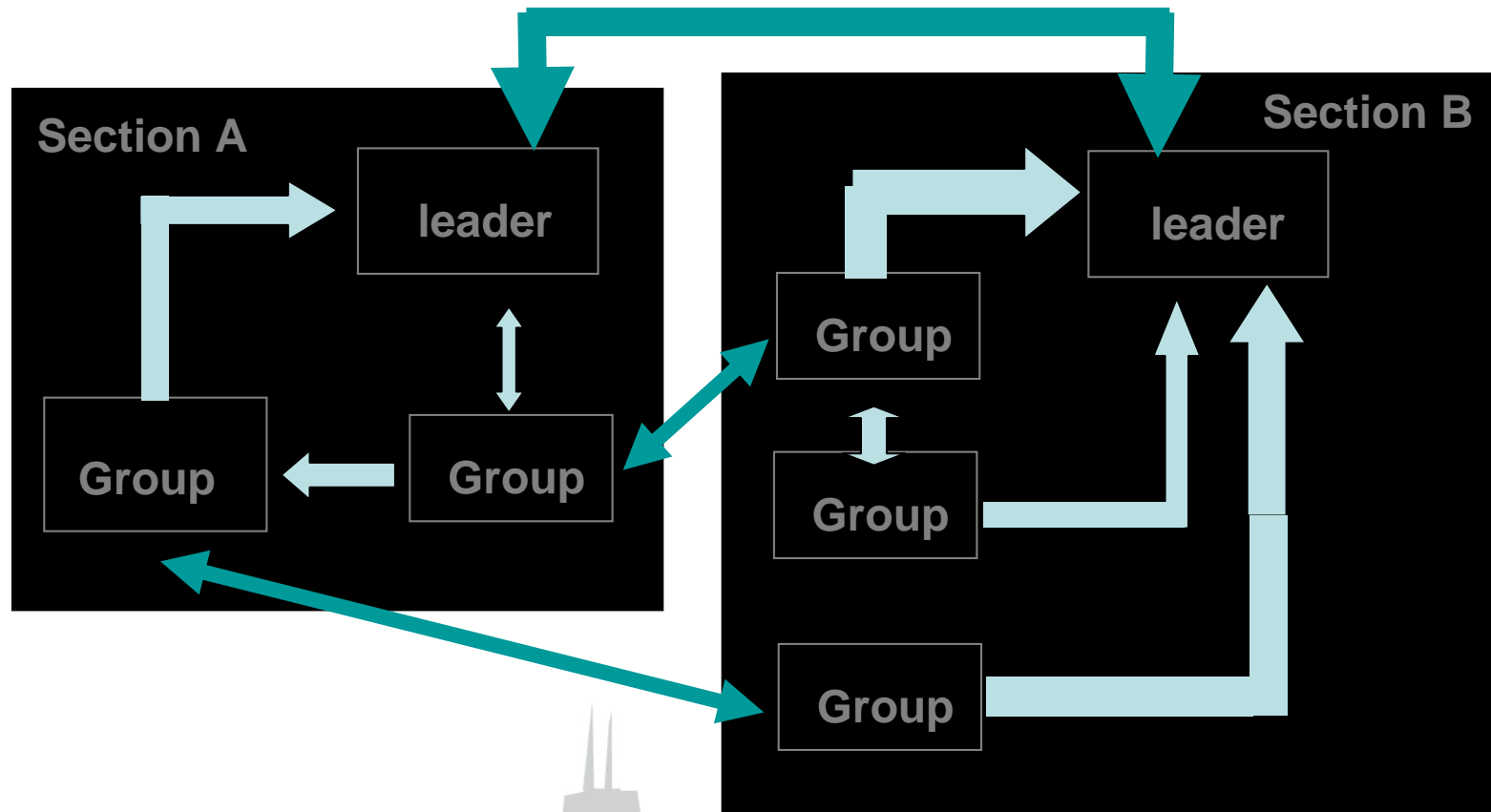
Example: Communication methods

	Groups					
	1	2	3	4	5	6
Scheduled meetings	I	F	F	S	S	S
Unscheduled personal meetings	N	F	F	S	F	F
Via telephone	I	I	I	F	S	S
Letters (Post / Fax)	I	I	I	F	I	F
eMail communication	F	F	S	F	S	S

Legend

Intensive	I
Frequent	F
Seldom	S
None	N

Develop footprints for Private Office areas
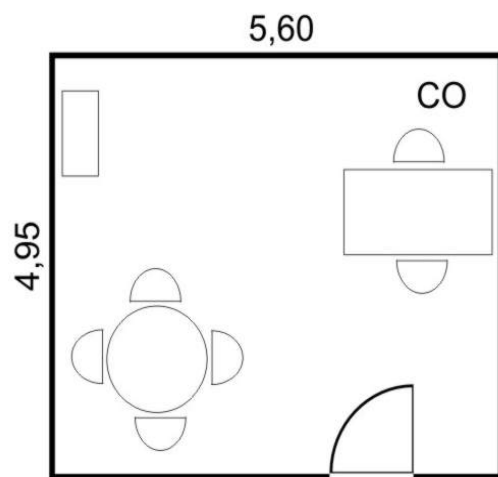
Management **I**
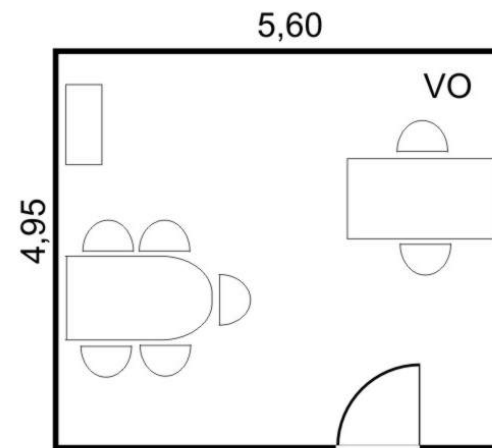
Management **II**

Develop footprints for Collaborative & Concentration Areas

Figure 3: A team office view and its layout.
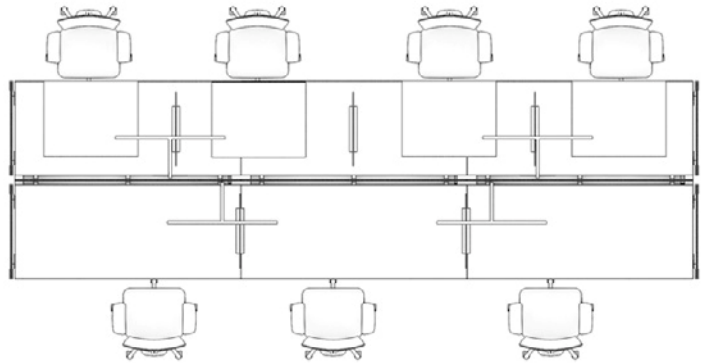
Figure 4: A view of an area that supports concentrated, focused work.
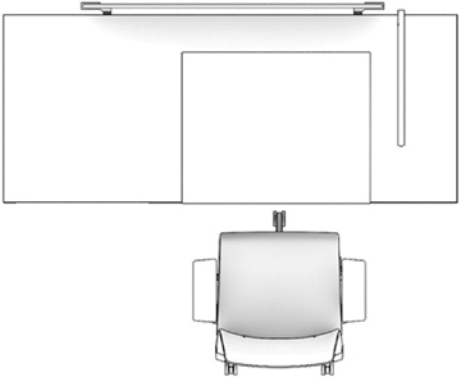
Develop footprints for Meeting Areas
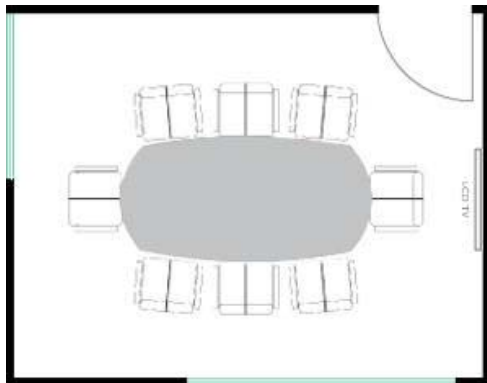
4. Measurement & Reporting

Analyze data to define the status report (the basis for design & furniture planning).

- Analyze "as is" versus the "should be" process
- Derive requirements for infrastructure
- Estimate space needs & a rough space plan with adjacencies

Using the **Balanced Scorecard**, performance can be tracked & results can be measured.

- **Financial Perspective -** ROI, key financial indicators
- **Customer Perspective –** Satisfaction, retention, share
- **Operational Perspective –** Quality enhancement, cost reduction, faster product introductions
- **Learning & Growth Perspective –** Employee satisfaction, training, rate of skill acquisition
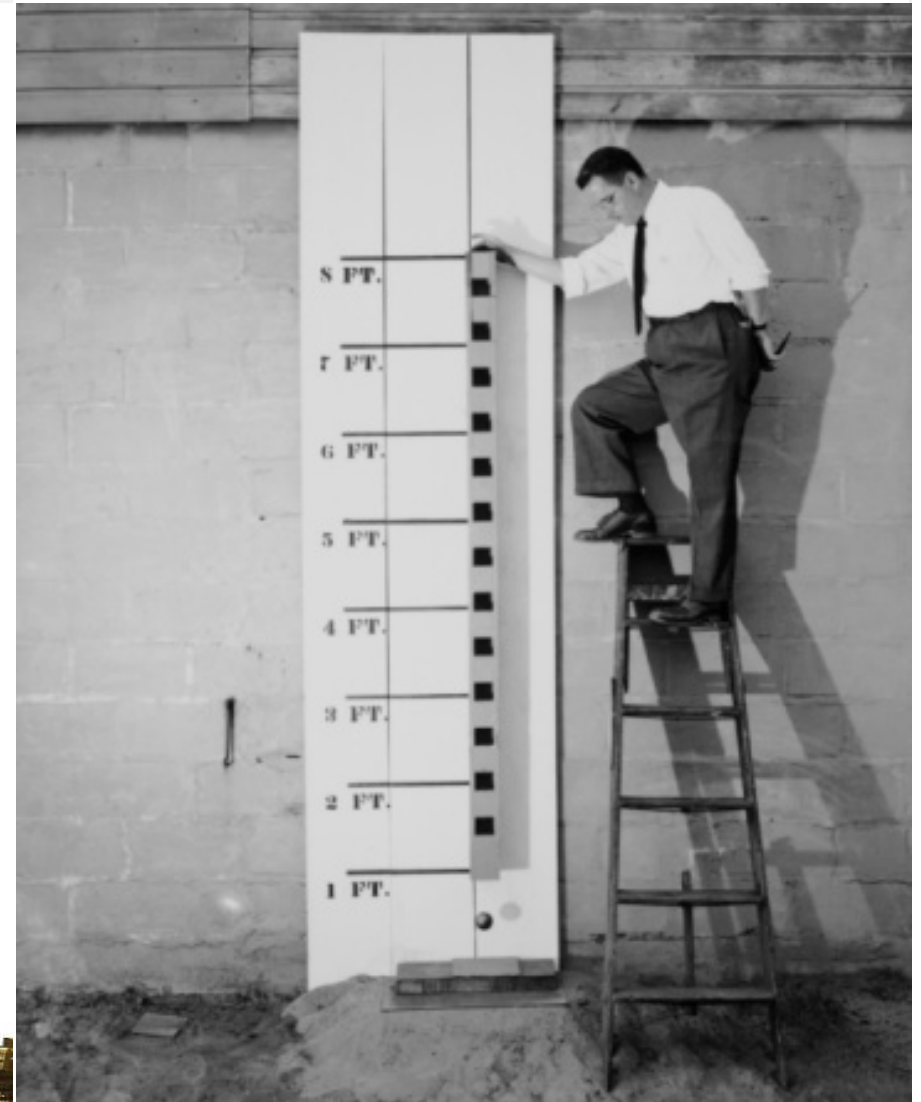
5. Real Estate evaluation & initial space design

Definition and alignment of WPS goals / objectives
should take place before the evaluation of RE options
because the decision about size, type of building,
new construction or renovation could change as a result of
goal definition.
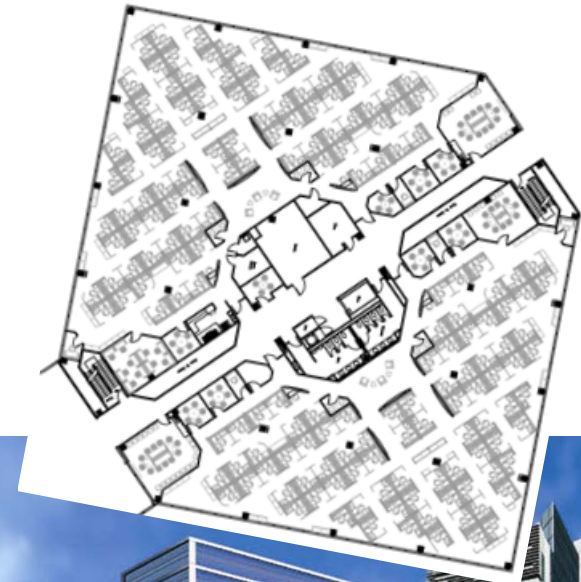
6. Coordinate & Guide Project Delivery Team

The project team converts the status report into a detailed space & furniture plan, ensuring that:

- Defined requirements are filled
- All legal & code requirements, such as industrial safety regulations, are met.

7. Utilize a 'Change Management' Process

Organizations are all about **people** so planning must account for the real & perceived challenges.

- C-Suite champion
- Changes in the organization & changes in the workplace go together.
- Methods to support change include:
  - Open project meetings with clear goals & decisions
  - Integrated team of employees & management
  - Lots of communication to employees through process
  - Pilot new concepts in order to gain feedback
  - Analysis of employee satisfaction

Effective change management will help optimize your space & infrastructure plan & deliver your project successfully.

Case Study
Panduit Corporation, Chicago USA

Challenge: Define & drive the C-Suite's understanding of RE/FM's ability to contribute to overall corporate goals relating to:

- Global vision
- Innovation
- Collaboration
- Sustainability

Success: Deliver a high performance building, integrated workplace design & an environmentally sustainable, healthy work environment within set financial targets.
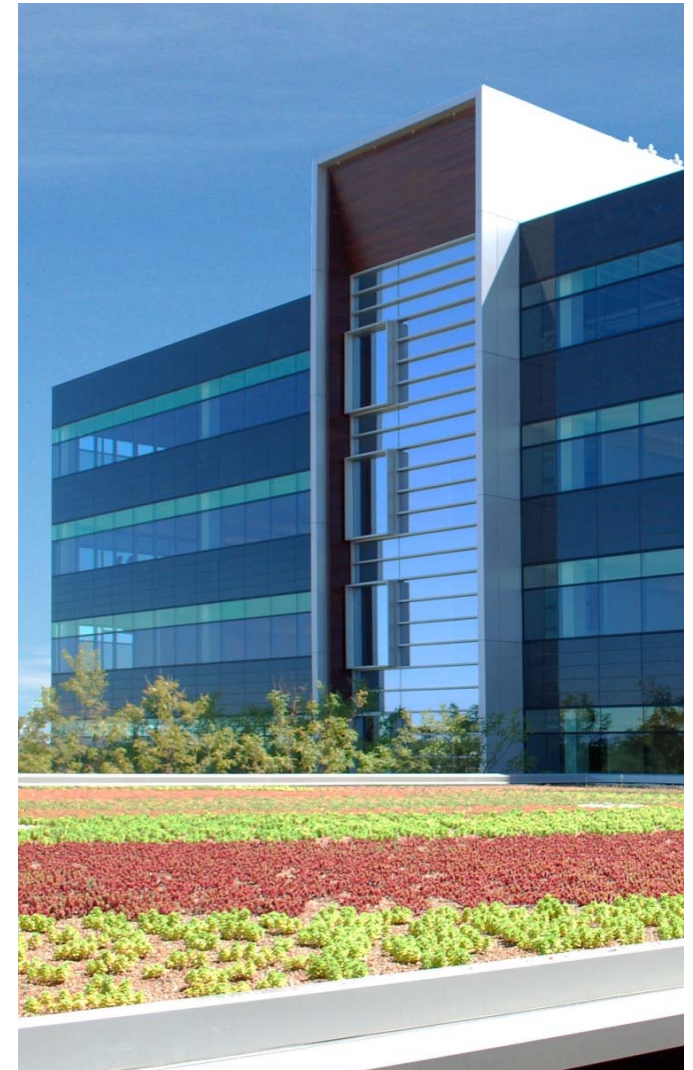
Case Study
Panduit Corporation

"Design it right & it will be sustainable…Furniture was among the most important elements of our long term sustainability plan."

-Darrin Norbut, Director Global RE, Panduit
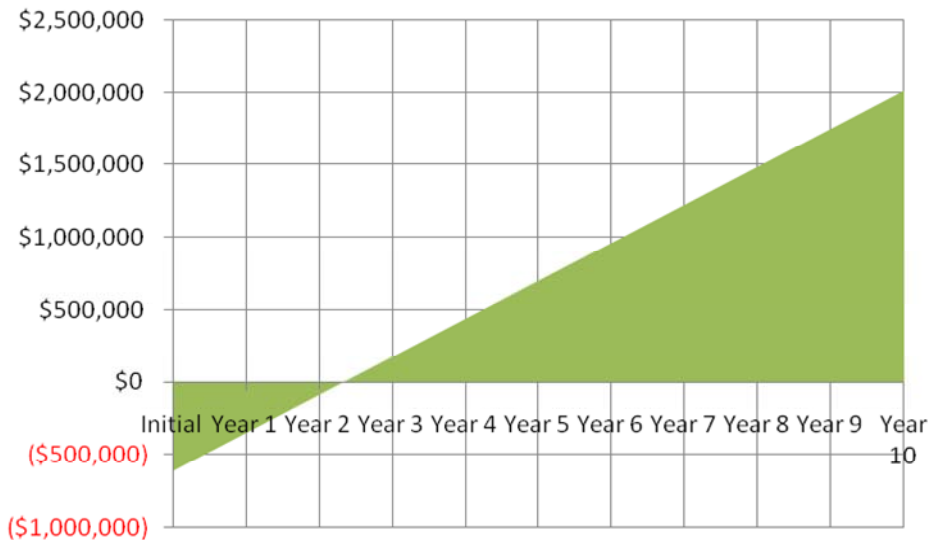
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Case Study-Results
Panduit Corporation

People:

- 30% Increase in staff productivity
- 50% increase in employee satisfaction (survey)
- Enhanced customer service levels & real time analytics enabling better building management at lower costs.
- Enhanced branding & increased global collaboration

Planet:

- LEED Gold Certified
- 23% below ASHRAE 90.1 2004 base design
- 30% increase in outside air over ASHRAE 62.1 2004
- Reduced energy (electricity & gas) consumption

Profit:

- ROI of 6 years for all building systems & efficiency, saving $7 million
- 10% reduction in cost of cabling
- 25% reduction of outlets
- 67% reduction in IT space
- 20% reduction in reconfiguration costs

LEED-NC V2.2
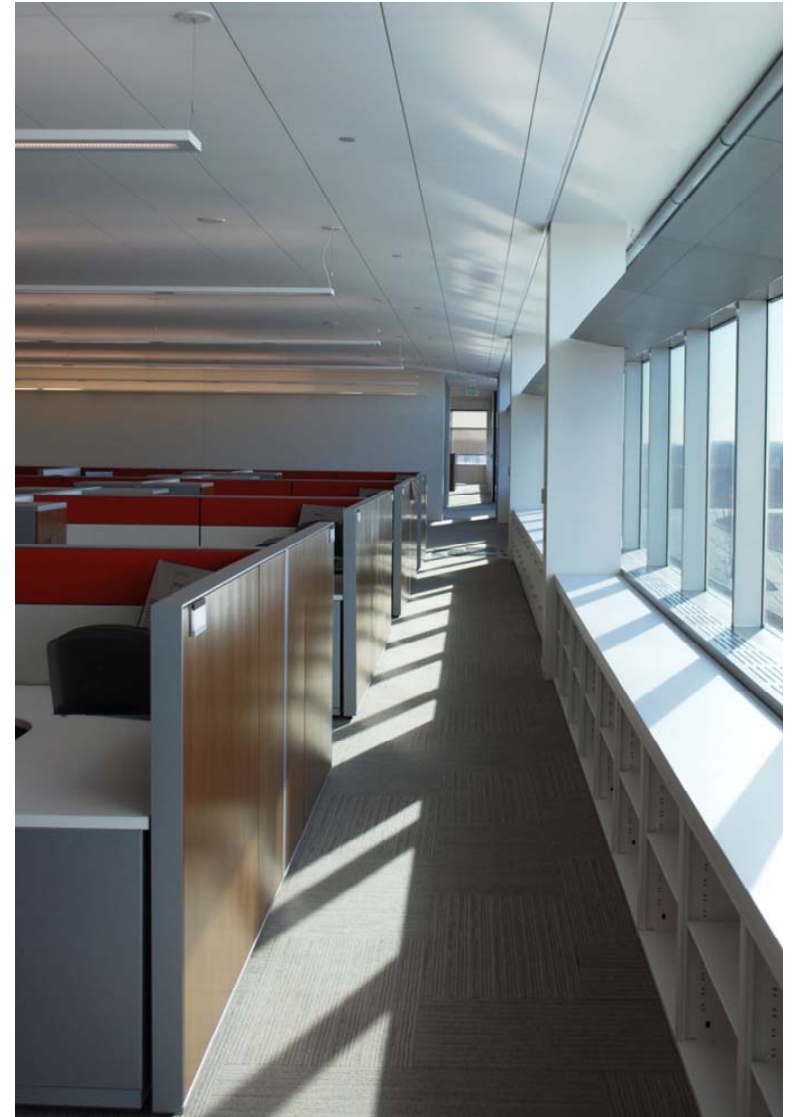
Case Study
Kellogg Corporation, Madrid Spain

Challenge: Reduce cost of business RE & Operations while improving the efficiency of employees.

- Reduce costs
- Attract & Retain Talent
- Increase Collaboration
- Sustainability

Success: Design & deliver flex-working concept, foster communication & collaboration, overcome the resistance of employees to change while reducing the cost of doing business.

Case Study-Results
Kellogg Corporation

People:

- Increase employee satisfaction - National survey ranked 5th
- Enhance brand image - increased publicity/media coverage
- Attract & retain talent (by-product of flex work concept).

Planet:

- 63% reduction in Electrical bills
- 70% reduction in paper usage
- 65% reduction in toner consumption
- 50% reduction in Employee commutes.

Profit:

- 65% reduction in maintenance costs
- 30% reduction in lease costs
- 50% reduction in reconfiguration cost

Case Study
SCAN Health Plan, Long Beach USA

Challenge: The workplace did not reflect the company's vision & business strategy. Workforce costs were high & growing. New cost constraints due to decrease in healthcare revenues from the government.

- Attract & Retain Talent
- Re-invent Corporate Culture
- Increase Employee Productivity
- Sustainability

Success: Strategy alignment between core functional areas of FM, HR, IT. Implement a flex-work program; repurpose/redesign HQ; Deliver processes redesign by which individual & team workplaces were configured & provisioned.

Conclusions

- WPS is an important tool for FM Professionals seeking to enhance business & corporate sustainability results…

  Triple Bottom Line: **People, Planet & Profit**

- C-Suite sponsorship & a cross-functional team are essential to strategy success.

- Sustainability is a major aspect of 'social corporate responsibility'. The effective use of office space, design planning, application & technology can significantly impact energy consumption & carbon footprint.

- WPS also contributes to other corporate goals such as attracting & retaining talent, increasing employee engagement & helping address user needs.

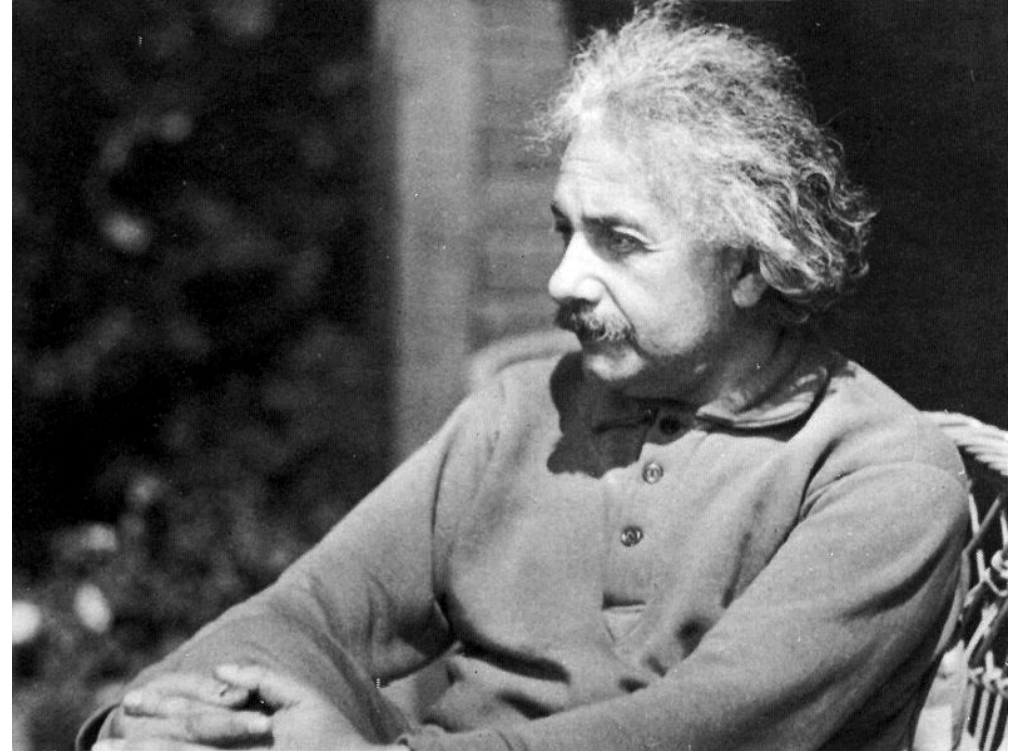- Balanced Scorecard helps organize & measure goals
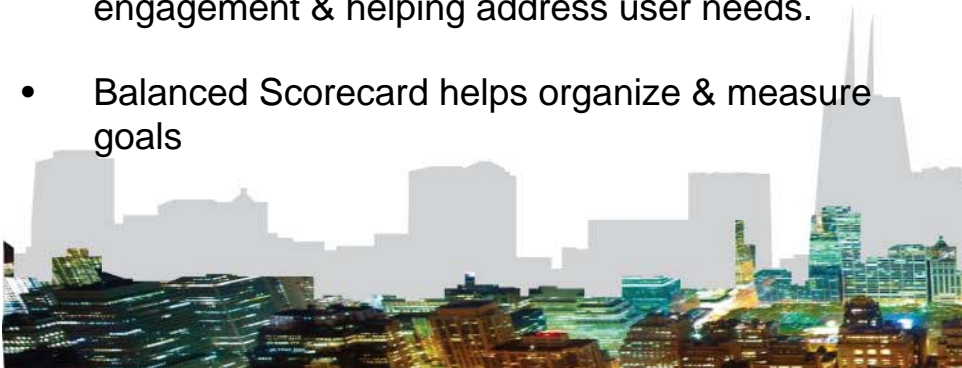
Workplace Strategy & Sustainability
Questions?

"I never try to teach my students anything.
I only try to create an environment
in which they can learn."

Albert Einstein

Thank You!

for attending this educational offering at IFMA's Facility Fusion.

Changing World of Work
Haworth, 2011, How we are trending summary

Familiar

Restrictive technology infrastructure & tools

Work 9-5 Monday thru Friday

Centralized operations (people and space)

Everyone has an assigned workspace

Workspace reflects job status

Emphasis on individual accomplishment

Walk-around performance management

Workplace as rows of cubes/offices

Trending

Mobile, lightweight, interoperable

Work anywhere, anytime "on demand"

Operations are widely dispersed

Move toward shared resources

Workspace linked to functional need

Seismic shift to Group Work

Remote management practices

Workplace as dynamic "Hub"

HAWORTH