EVALUATE SESSIONS

take assessments & log CEUs
[ no more CEU codes ]

visit the registration kiosks
or go online at
http://ceu.experient-inc.com/WWC131
Buon Giorno!

Amalfi Coast - Positano
2000 Year Old ‘Smart’ Building!

Air Space w/in Walls for Radiant Heat!

Raised Floor with Under-floor, Radiant Heat!

Pompeii - Public Baths Building
Supporting New Ways of Working & Sustainability through Facility Modernization

‘Modernize to Optimize!’
DISCUSSING THE CASE for SPACE

• **how** should FM professionals think about modernization strategies in the context of C-suite concerns?

• **why** is Real Estate such a powerful tool for leveraging organizational change? How does CRE/FM assess the real estate ‘transaction’ opportunity?

• **what** are the key elements of a modernization plan (with sustainability & performance metrics)?

• **how** does CRE/FM take the lead & effectively communicate the ‘facility modernization’ strategy to the C-suite?
‘MODERNIZE TO OPTIMIZE’

PANELISTS

Pat Turnbull, MA, LEED AP, IFMA Fellow
President & COO
Kayhan International

Janice L. Cimbalo, Esq. MCR
Senior Vice President
Jones Lang LaSalle Americas

Gary Miciunas, Principal
Lead Workplace Strategist
Nelson

Diane Coles-Levine, MCR
Director, Workplace Strategy
SCAN Health Plan

Dr. Alex Redlein, PhD
Vienna University of Technology,
IFM,- Center for Information & FM
Rapid advances in **technology**, the increasingly **collaborative & global** nature of work, shifting workforce **demographics**, changing employee demands, increased **competition**, financial pressures, and a greater focus on **sustainability** all mean that the traditional office setup is becoming increasingly obsolete.
‘We have experienced a change in the traditional definition of ‘workplace’ as technology enables & employees demand the ability to connect and work from anywhere.’

Erik Jaspers – CTO, Planon
‘Physical Space that ‘maximizes’ casual collisions of the workforce’ also breeds creativity’.

Greg Lindsay – Writer for the New York Times
Balancing ‘Me’ and ‘We’ Needs to Optimize Performance

‘Designing environments that enhance individual performance, foster collaboration & contribute to the holistic well-being of employees accelerates ‘mission-critical’ success’.
how should FM professionals think about modernization strategies in the context of C-suite concerns?
### C-SUITE CONCERNS

Human Capital and Operational Excellence are the Top Global Challenges for 2013

<table>
<thead>
<tr>
<th>Global Rank</th>
<th>CHALLENGES 2013*</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Human Capital</td>
<td>2.44</td>
</tr>
<tr>
<td>2</td>
<td>Operational Excellence</td>
<td>2.10</td>
</tr>
<tr>
<td>3</td>
<td>Innovation</td>
<td>1.99</td>
</tr>
<tr>
<td>4</td>
<td>Customer Relationships</td>
<td>1.72</td>
</tr>
<tr>
<td>5</td>
<td>Global Political/Economic Risk</td>
<td>1.68</td>
</tr>
<tr>
<td>6</td>
<td>Government Regulation</td>
<td>1.55</td>
</tr>
<tr>
<td>7</td>
<td>Global Expansion</td>
<td>1.31</td>
</tr>
<tr>
<td>8</td>
<td>Corporate Brand and Reputation</td>
<td>0.92</td>
</tr>
<tr>
<td>9</td>
<td>Sustainability</td>
<td>0.82</td>
</tr>
<tr>
<td>10</td>
<td>Trust in Business</td>
<td>0.46</td>
</tr>
</tbody>
</table>

N-Number of overall responses. The response rate varies for each challenge. Each score represents the mean of the ranks given the challenge. For information about how the scores were created, see “About the 2013 Survey” on page 21 of the CEO Challenge® 2013 Summary Report.

*Operational Excellence was added to the list of challenges in 2013 replacing Cost Optimization. Trust in Business was also added in 2013 replacing Investor Relations.

©The Conference Board, 2013

SCOPE OF CHANGE MANAGEMENT

upstream

pre-design

employee engagement

design

downstream

construct

employee communications

occupy

post-occupy

World Workplace 2013
# Change Management Work Products

## Change Management Communication Process

<table>
<thead>
<tr>
<th>Building a Foundation</th>
<th>Sharing the Design Intent</th>
<th>Introducing New Work Place</th>
<th>Preparing for the Move</th>
<th>Post-Move</th>
</tr>
</thead>
<tbody>
<tr>
<td>November - March</td>
<td>November - March</td>
<td>November - December</td>
<td>January - April</td>
<td>May - June</td>
</tr>
</tbody>
</table>

### Project Design and Delivery Process - Group Specific

### “Face to Face” Meetings - Group Representation

### Workplace Intranet Site Space Program Web Updates

### Other (Emails/Newsletters/J&J Website/User Specific)

### Steering Committee

---

World Workplace 2013

PHILADELPHIA
CHANGE MANAGEMENT
WORK PRODUCTS

Leadership
This move will strengthen our current position as a leader in energy and related services.

• No matter where we work, we are the energy behind the company. It’s worth the energy to invest in our employees because we are the key to the reputation of Integrys.
• The Aon Center provides a bright, efficient and technologically up-to-date working environment. That also makes a statement about the reputation we want to maintain.
• Sustainability is important to our industry and to Integrys as a company. This move is symbolic of our desire to remain a leader in the communities we serve.

Collaboration
We are creating a more open, collaborative workplace that is necessary for innovation.

• Our relocation to the Aon Center allows us to introduce new uses of technology to support innovation and collaboration that can be used across the company.
• We’d like our leaders in all locations to be more accessible to their employees. The design of our Aon space will increase those interactions.
• We’re creating space where employees can easily hold a team meeting to address cross-department questions or problems.

Stakeholder Value
This sets a new standard for the people working at Integrys to create value for our shareholders, employees, and customers.

• Our ability to work together in new ways helps manage our operating costs and fosters the interaction that sparks innovation, something we believe enhances our reputation and return on investment to our shareholders.
• We want all Integrys locations to be attractive to employees and recruits, places they will want to build their careers and be proud to work.
• Ultimately, customers should benefit from the reinvigorated approach to our work, no matter if they get service from one of our utilities, Trillium CNG or Integrys Energy Services.
CHANGE MANAGEMENT WORK PRODUCTS
# Change Management Work Products

## Move Schedule

<table>
<thead>
<tr>
<th>Phase 1 - 19th Floor</th>
<th>Phase 2 - 19th Floor</th>
<th>Phase 3 - 19th Floor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Parsons...We’re on the Move!

We see this as a great opportunity to implement the new strategies and processes in this new environment. We are excited to work in a space that is designed to support our needs and enhance our productivity.

### Next Steps:
- **Polymer Signs:** Locations for the new workspaces.
- **New Office Standards:** A comprehensive guide for the new work environment.
- **New Office Materials:** A catalog of materials used in the new office.

## Clean Sweep

**Moving into the Future**

**September 9th and September 10th, 2013, for the 19th Floor**

- **Cleaning Areas:** Storage areas, non-moving areas, and moving areas.
- **Lunch and Break:**
  - **Lunch:**
    - **7:00 AM:** Break room
    - **8:00 AM:** Lunch
  - **Break:**
    - **10:00 AM:** Break room
- **Supervision:**
  - **9:00 AM:** Supervision
  - **11:00 AM:** Supervision

## Location Floor Plans

- **Map A:** General layout of the floor
- **Map B:** Detailed map of the floor

## New Office Standards: Materials + Finishes

- **Wall Coverings:** A selection of wallpaper and mural options
- **Floor Coverings:** A selection of carpet and vinyl options
- **Furniture:** A selection of office furniture options

---

World Workplace 2013
EMERGING DESIGN SOLUTIONS & METRICS

Quadrant 1 (Existing)
Existing floor plan.

SF/SEAT
257

Quadrant 2 (Conservative)
Perimeter offices to remain, leave offices as shown. Fewer smaller standards (i.e. 6 x 8 cube size).

SF/SEAT
197

Quadrant 4 (Aggressive)
No offices. Aggressive Desking Solution to replace workstations.

SF/SEAT
113

Quadrant 3 (Moderate)
Offices off of perimeter glass (interior location), neighborhood workstation groupings, fewer standards - show 2 types of workstations: mobile and resident (can be same size), small offices as blocked in.

SF/SEAT
175

World Workplace 2013
EMERGING DESIGN SOLUTIONS & METRICS
EMERGING DESIGN SOLUTIONS & METRICS

[Diagram of an office layout with area metrics and percentages]

World Workplace 2013
EMERGING DESIGN SOLUTIONS & METRICS
EMERGING DESIGN SOLUTIONS & METRICS

AREA METRICS

- 100% Offices
- 61% Open Plan
- 39% Support

- 39% Individual Offices & Workstations
- 61% Workstation
- 100% Office

World Workplace 2013

PHILADELPHIA
## EMERGING DESIGN SOLUTIONS & METRICS

<table>
<thead>
<tr>
<th>Sector</th>
<th>USF per Person</th>
<th>USF per Seat</th>
<th>Seats-to-Person Sharing Ratio</th>
<th>1:We Area Ratio</th>
<th>1:We Seats Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCIAL SERVICES EXAMPLE</td>
<td>147</td>
<td>162</td>
<td>1:1.1</td>
<td>48% 52%</td>
<td>.5:1</td>
</tr>
<tr>
<td>TECHNOLOGY FIRM EXAMPLE</td>
<td>166</td>
<td>166</td>
<td>1:1</td>
<td>43% 57%</td>
<td>.8:1</td>
</tr>
<tr>
<td>PUBLISHING FIRM EXAMPLE</td>
<td>166</td>
<td>166</td>
<td>1:1</td>
<td>50% 50%</td>
<td>1.05:1</td>
</tr>
<tr>
<td>FINANCIAL SERVICES EXAMPLE</td>
<td>119</td>
<td>198</td>
<td>1:2</td>
<td>51% 49%</td>
<td>.6:1</td>
</tr>
<tr>
<td>RISK MANAGEMENT FIRM EXAMPLE</td>
<td>184</td>
<td>184</td>
<td>1:1</td>
<td>61% 39%</td>
<td>.95:1</td>
</tr>
</tbody>
</table>
EMERGING DESIGN SOLUTIONS & METRICS

- Office: 92%
- Workstation: 8%

- Individual Offices & Workstations: 51%
- Shared Support: 49%

<table>
<thead>
<tr>
<th>Sector</th>
<th>WS</th>
<th>Office</th>
<th>I Space</th>
<th>We Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services</td>
<td>90%</td>
<td>10%</td>
<td>55%</td>
<td>45%</td>
</tr>
<tr>
<td>Technology Firm</td>
<td>80%</td>
<td>20%</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>Digital Media Services</td>
<td>100%</td>
<td>0%</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>88%</td>
<td>12%</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>Risk Management Firm</td>
<td>100%</td>
<td>0%</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>92%</td>
<td>8%</td>
<td>49%</td>
<td>51%</td>
<td></td>
</tr>
</tbody>
</table>
Why is Real Estate such a powerful tool for leveraging organizational change?

What opportunities are associated with the Real Estate Transaction?
‘Traditional knowledge-based organizations spend significantly more $ on people as compared to space, so the real opportunity is to use real estate to leverage productivity’

Greg Lindsay, Writer for Fast Company
4 ways real estate can influence business productivity...

3 of them are about people!

- Enable *Individual Productivity*
- Channel *Information Flow*
- Build *Community*
- Align *Supply and Demand*
Enabling Workforce Flexibility

**Internal**
Within the primary building

**On-the-go**
Outside of the primary building

**External**
Alternative work arrangements

- Traditional Desk
- Informal Spaces
- Project Space
- Meeting Rooms
- Quiet Rooms
- Other Sites: Client, Partner Offices
- Cafes
- Travelling
- Work From Home
- Telecommuting
- Compressed Hours
The Five Workplace Models

- **Cellular space**: Fully assigned offices and/or high partition workstations.
- **Open plan**: Fully assigned open plan workstations.
- **Open plan + Support**: Fully assigned open plan workstations and support space.
- **Hybrid mobility**: Mix of unassigned and assigned workstations and support space.
- **Full mobility**: Fully unassigned workstations and support space.

Most organizations sit here.

Increasing choice, efficiency, flexibility and cultural integration.

But the biggest shift is here.
How do we get there?

- What is the company’s mission?
- Does the workplace add to or detract from that mission?
- How should we evaluate what is necessary?
- How do we incorporate flexibility into the workplace?
  - Flexibility in the physical space
  - Flexibility in the lease agreement
    - Size (options to expand/options to terminate)
    - Operating the facility (HVAC etc.)
    - Amenities
    - Use Clause
    - Parking
# REAL ESTATE ANALYSIS IN WORKPLACE STRATEGY DEVELOPMENT PROCESS

**DEVELOPED BY PATRICIA ROBERTS & TEAM, JONES LANG LASALLE**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Activities</th>
</tr>
</thead>
</table>
| **1. PROJECT INITIATION** | - Workplace Strategy Assessment Tool  
- Portfolio Opportunity Assessment  
- Benchmarking  
- Functional Group Assessments (HR, IT)  
- Communications and Change Management Strategy  
- Sponsors Workshop  
- Leadership Interviews |
| **2. ASSESSMENT & BUSINESS CASE** | - Space Utilization Study  
- Observation Study  
- Work Style Survey and Segmentation  
- Scenario Options, Financial Modeling and Business Case Presentation |
| **3. SOLUTION DESIGN** | - Employee / Manager Focus Groups  
- Solution Design Workshop and Blitz Teams (Real Estate, IT, HR)  
- Workplace Design Guidelines |
| **4. IMPLEMENT & SUPPORT CHANGE** | - Implementation Support Plan  
- Change Management Campaign  
- Performance Management |
| **5. CONTINUOUS IMPROVEMENT** | - Workplace Program Management  
- Workplace Playbook (Operations Guide)  
- Impact Assessment (on Space Planning and Real Estate Processes) |
THE TRANSACTION OPPORTUNITY

- Lease Structure (Type/Term)
- Net vs Gross Rent
- Rent Abatement
- Tenant Improvement
- Swing Space
- Life Safety & Code Compliance
- Sustainability Compliance
- Risk Mitigation
- Termination Clause
- Rebates
what are the key elements of a Modernization plan (with performance metrics)?
1. Define & Align WPS goals
2. Define the Team of Key Stakeholders
3. Define or Categorize Processes
4. Develop Requirement Catalogue
5. Conduct RE evaluations & initial Programming
6. Coordinate & guide project delivery team
7. Implement change management processes
REAL ESTATE EVALUATION

• EXISTING BUILDING
  + Sustainable choice
  + Casing existing
  + Cheaper (partly depreciated)
  + Only investment in renovation
  + Enough properties are available
  + Known landmark
  +/- Public transportation

- Not flexible enough
- Not capable of fulfilling all requirements

• NEW BUILDING
  + All requirements can be fulfilled
  + No limitations
  + Enough properties available?
  + Linked with own company (own landmark)
  +/- Public transportation

- Higher costs?
- Longer rental agreements necessary
REAL ESTATE EVALUATION

- Market evaluation
  - Potential places
  - Prices
  - Possibilities/flexibility
  - Fulfilling requirements
- Decision Old/New/(Re)construction
"GREEN" OPTIMISATION OPPORTUNITIES

- GREEN ‘EB’ OPTIONS
  - Operations & Maintenance Procedures / Improvements
  - Energy Efficiency Opportunities
  - Day-Light Harvesting
  - Lighting Retrofits
  - Occupancy Sensors
  - Water Conservancy Opportunities
  - Waste Management

- Benefits
  - Operational Efficiency
  - Cost Reduction
  - Aligned Social Responsibility Goals
  - Asset Competitiveness
  - Attract & Retain Talent/Tenants
  - Increased Health & Productivity

Design → Operation → Disposition
how does CRE/FM take the lead & effectively communicate the ‘facility modernization’ strategy to the C-suite?
Workplace Strategy requires a profound understanding of the organization, its culture, vision, decision-making processes & drivers in the global marketplace.

Results are connected to the strategic plan, HR, RE, IT, & distributed workforce.
SCAN’s Workplace Services team demonstrated how Space Optimization goals aligned corporate and operational activity.

Diane Coles – MRC Director, Workplace Services, SCAN Health Plan
OUR MISSION

‘Our mission is to continue to find innovative ways to enhance seniors’ ability to manage their health and to continue to control where and how they live’.
AFFORDABLE CARE ACT

The Impact on Real Estate and FM
3/20/2013

World Workplace 2013

PHILADELPHIA
Medical Cost Ratio
Pay for Performance
Quality Outcomes
Population Health Management
5 Star Rating System
## THE FIVE STARS AND HEALTH CARE REFORM

### MEDICARE ADVANTAGE PLANS MEASURE AND REWARD $$$
- on Star Ratings
- on Medical Cost Ratio

Consumers can view
- plan ratings on the
- Medicare Plan Finder web site at:

[https://www.medicare.gov/find-a-plan/questions/home.aspx](https://www.medicare.gov/find-a-plan/questions/home.aspx)

<table>
<thead>
<tr>
<th>Stars</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>★★★★★</td>
<td>Excellent</td>
</tr>
<tr>
<td>★★★★</td>
<td>Above Average</td>
</tr>
<tr>
<td>★★★</td>
<td>Average</td>
</tr>
<tr>
<td>★★</td>
<td>Below Average</td>
</tr>
<tr>
<td>★</td>
<td>Poor</td>
</tr>
</tbody>
</table>
WHAT DOES ‘FIVE STAR’ MEASURE?

Staying Healthy
Managing Chronic (long term) conditions
Member Satisfaction: responsiveness/care
Member complaints & appeals
Call Center Customer Service
Developing Department Productivity Metrics

- Compliance requirements
- Business goals
- Sales and marketing targets
- Expansion and growth plans
- Business unit goals
- Productivity outcomes
- Projects
SCAN GOALS

MEDICARE ADVANTAGE PLAN RATING

★★★★★ to ★★★★★★★

QUALITY OUTCOMES

CUSTOMER SERVICE

EMPLOYEE PRODUCTIVITY

ADMINISTRATIVE COSTS

COMPLIANCE

World Workplace 2013
ACA IMPACT TO SCAN BUSINESS UNITS

- Quality Outcomes
- Admin Costs
- Customer Experience
- Process Improvements
- Surveys
TRIPLE BOTTOM LINE RESULTS

- Business Unit Performance & 5 Star
- Administrative Costs vs. Medical Costs
- Customer Service
- Compliance
- Attraction & Retention

Measuring remote versus office workers
DISCUSSING THE ‘CASE FOR SPACE’

• **how** should FM professionals think about modernization strategies in the context of C-suite concerns?

• **why** is Real Estate such a powerful tool for leveraging organizational change? How does CRE/FM assess the real estate ‘transaction’ opportunity?

• **what** are the key elements of a modernization plan (with sustainability & performance metrics)?

• **how** does CRE/FM take the lead & effectively communicate the ‘facility modernization’ strategy to the C-suite?
Q & A

Pat Turnbull, MA, LEED AP, IFMA Fellow
President & COO
Kayhan International

Janice L. Cimbalo, Esq. MCR
Senior Vice President
Jones Lang LaSalle Americas

Gary Miciunas, Principal
Lead Workplace Strategist
Nelson

Diane Coles-Levine, MCR
Director, Workplace Strategy
SCAN Health Plan

Dr. Alex Redlein, PhD
Vienna University of Technology,
IFM,- Center for Information & FM
A Global Workplace Community within CREC and CFC, focused on increasing Workplace Innovation & Consciousness

WE Member Benefits

• Monthly WE:binars
• WE Research & Knowledge
• WEbsite
• WE Innovation Group
• WE Global Network
• Your WE Red Beret (if you join CREC or CFC this week)

Don’t miss the WE experience!
thank you!