

Workplace Strategy

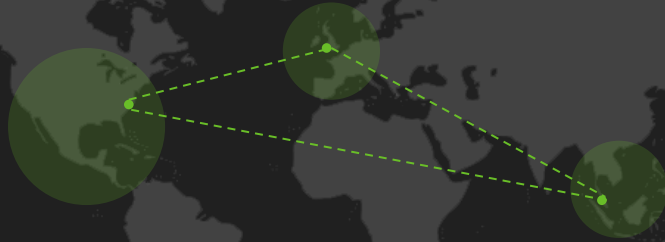
Chris Hood

CBRE

Our Team and Experience

40+ GLOBAL CONSULTANTS

Leadership in San Francisco, New York, London, and Singapore



BACKGROUND

Diverse + Complementary

Financial Analysis
Design
Architecture
Space Planning
Economics
Change Management
Marketing
Project + Program Management
Advertising
Real Estate
Development

CLIENTS

Loyal + Leading

Coca-Cola
HSBC
Asurion
Diageo
TimeWarner
Bank of America
Union Bank
AMEX
Cisco
Littler
State of Florida
BP
RBC
Xylem
Gannett



CBRE Workplace Strategy

Workplace Strategy is the development of solutions that link business strategy to workplace initiatives.

We help our clients use place, optimize process, and enable new technology to create value, reduce expenses, and live better lives.



A CHANGING WORKFORCE

50% of the US workforce is predicted to be independent contractors by 2020.

U.S. Bureau of Labor Statistics



40% of knowledge workers will have abandoned or removed their desk phone by the end of 2013.

Gartner Research



A WAR FOR TALENT

CEOs have a new strategy in the unending war for talent. They are creating more open and collaborative cultures – encouraging employees to connect, learn from each other and thrive in a world of rapid change.

IBM Global CEO Insights Report 2012

TRENDS



UNDERUTILIZATION OF SPACE

Traditional office space has a utilization rate of

50%.

Various Industry Studies



Real estate currently represents one of the **largest costs** of doing business, second only to labor.

The business drivers for change...are changing.

NEW WOW INDUSTRY SURVEYS 2009-2013

MOST IMPORTANT



FOCUS GROUP FEEDBACK

Workplace strategy is now....well....strategic

Who runs the AW Program?

	2009	2013
Corporate Real Estate	56%	23%
Executive leadership	7%	20%
HR	17%	23%
Other	20%	34%

New WOW Workplace survey 2013



Resistance to AWS is reducing

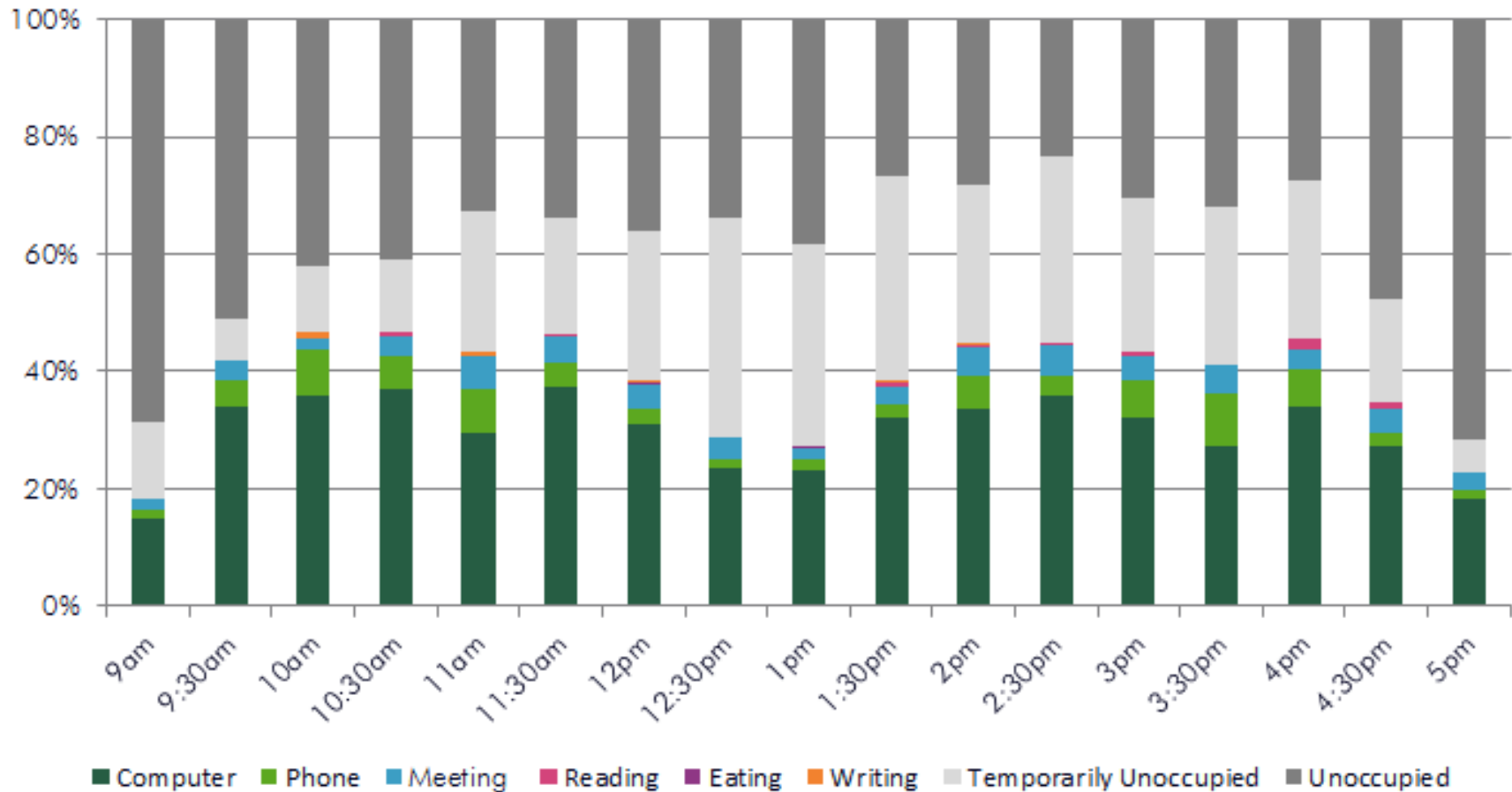
% companies claiming reason for pushback

	2007	2009	2011	2013
Organizational culture	75%	74%	65%	50%
Manager concerns	81%	71%	59%	51%
Fear of change		63%	55%	49%
Lack of Executive buy-in		55%	46%	41%
Staff concerns over losing desk		42%	41%	31%
Staff concerns over loss of contact with manager/ others		36%	32%	29%
Lack of IT support	22%	25%	30%	31%
Funding	38%	26%	29%	14%
Security	41%	14%	22%	21%

2013 New WOW Workplace survey

Typical office occupancy continues to be low.

Composite slide of multi-company, multi business occupancy studies

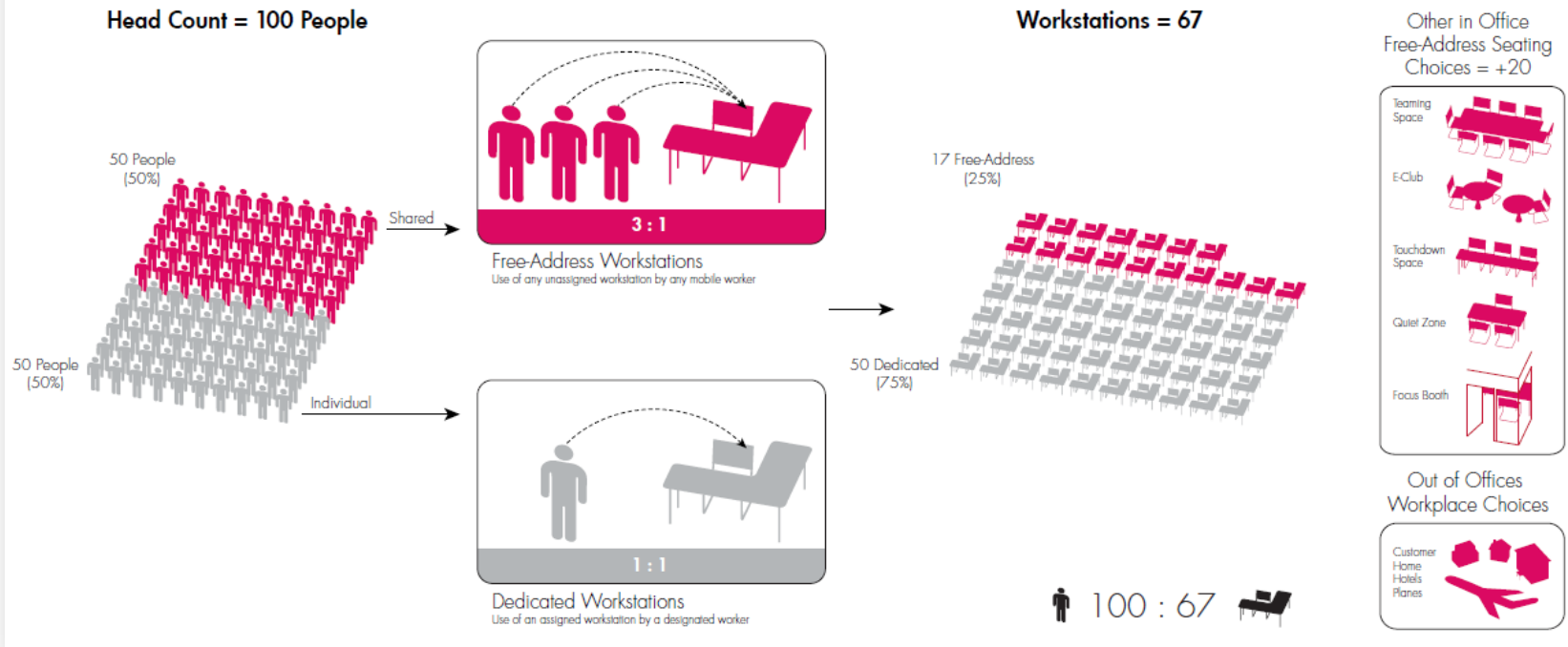


Leveraging low utilization

How it works

Global Metrics: Admin

2.2



Relevant trends

CoreNet: Office space per worker shrinks to 150 sf

The average amount of space per office worker globally has dropped to 150 square feet or less, from 225 square feet in 2010, according to a recent global survey conducted by CoreNet Global.

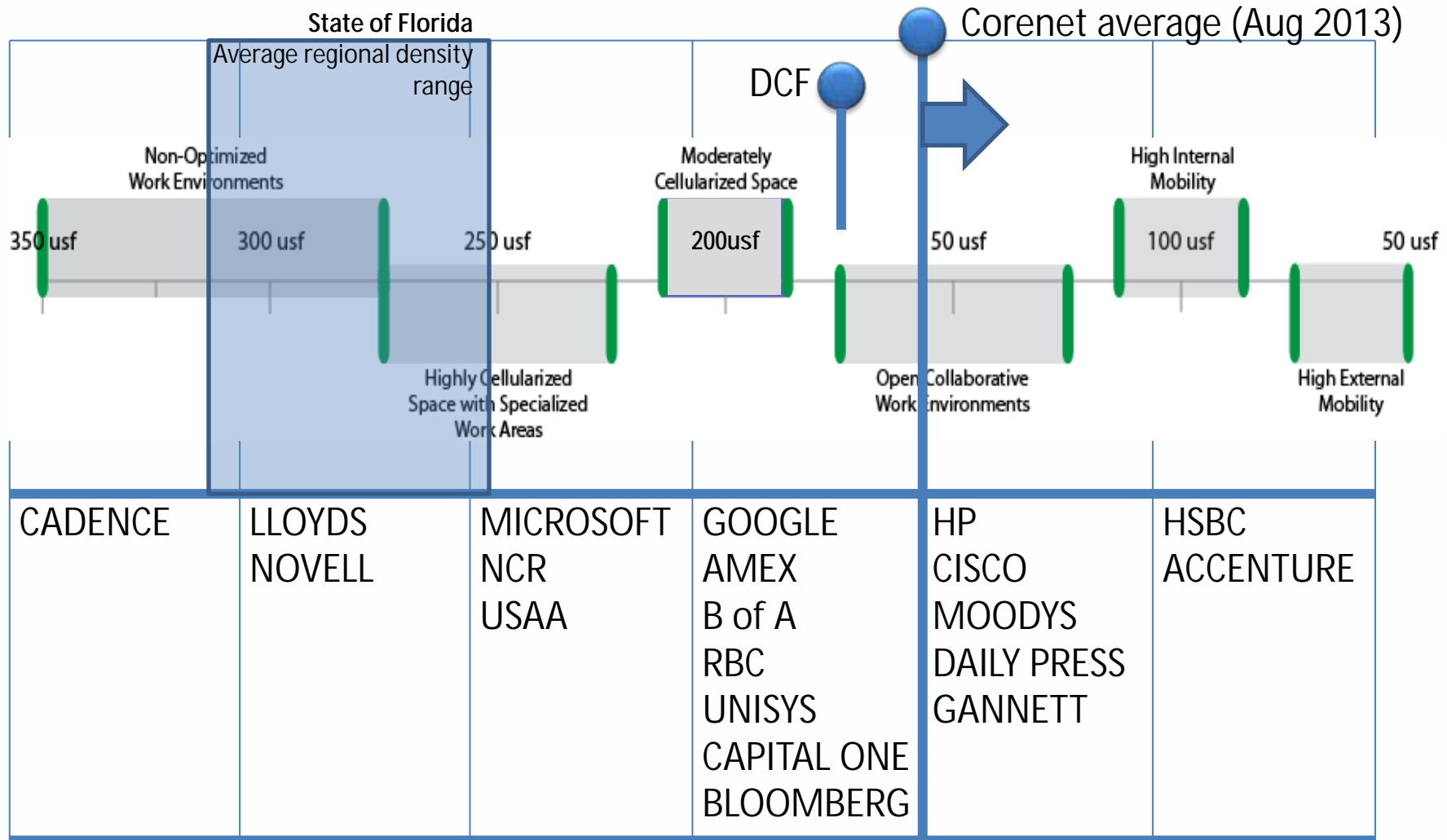
CoreNet Global

August 06, 2013

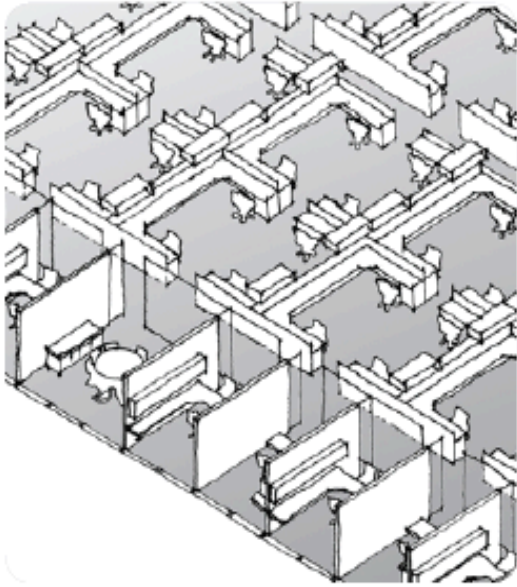


The average amount of space per office worker globally has dropped to 150 square feet or less, from 225 square feet in 2010, according to a recent global survey conducted by [CoreNet Global](#), a leading association of corporate real estate managers at large companies throughout the world. The study is part of CoreNet Global's ongoing advocacy of quality working environments and work experiences, and the group's call to action to measure quality of life per square foot.

Benchmarking

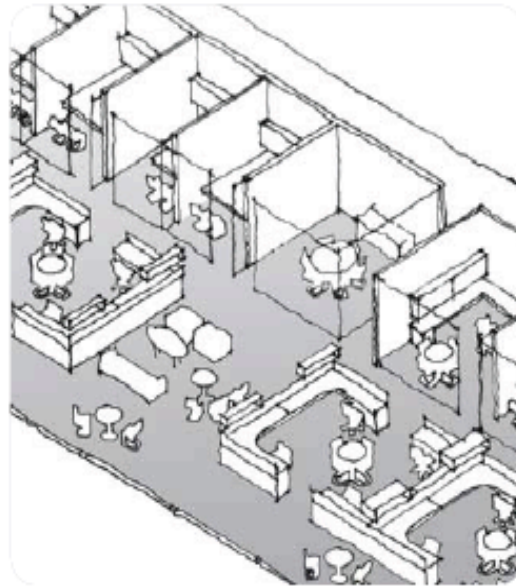


Workplace norms and expectations are changing!



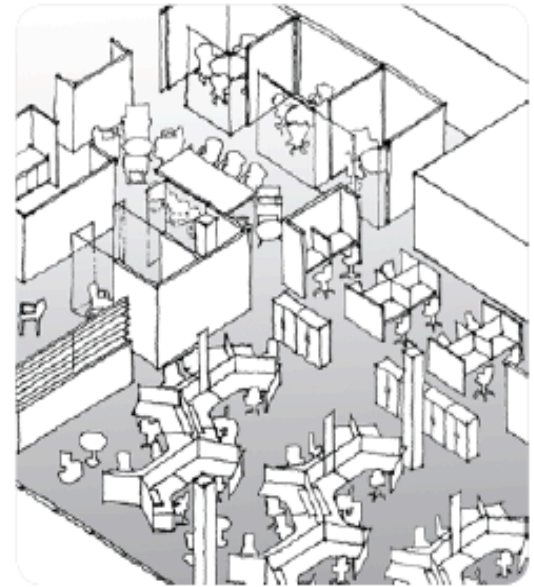
STATUS QUO, OPTIMIZED

- Traditional office and cube layout; everyone assigned a desk
- Introduce greater variety by “right-sizing” or “shrinking” individual space



SOME CHANGE TO SPACE + ALLOCATION

- Offices moved to the interior; fewer people in offices
- Everyone/most everyone assigned a desk
- More collaborative space



SIGNIFICANT CHANGE TO SPACE + ALLOCATION

- Activity-based work environments
- Large variety of settings for various work needs
- Most/all people share space; no assigned desks

Bring Your Own Device (BYOD)

Some companies are utilizing employees devices because it's cheaper and the employees feel they outperform the company's equipment.

Consequences:

- Organizations are utilizing the cloud to deliver to a myriad of devices.
- This is leading to smaller IT departments but increasing IT budgets.



The locations for work are changing.



Workplaces outside the traditional office have increased from 28% to 40% in the past two years

Teleworkers have increased from 9 to 14%.

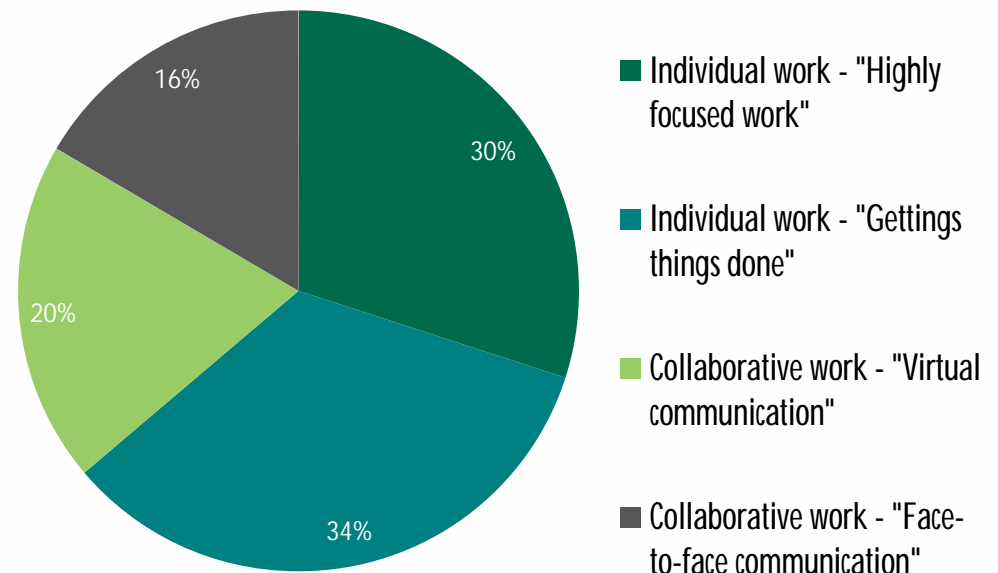
So we are all asking...

What is the purpose of the office as we know it?

An example:

Only 16% of self-stated work involves working with others, face-to-face

Is this an opportunity?



Recent CBRE client survey

Generational Demands

It is estimated Gen Y will comprise more than 40% of the U.S. workforce by 2020.

– U.S. Bureau of Labor Statistics

THE TRADITIONALIST, BOOMERS, X

Dedicated Space

Face to Face Interactions

Stationary Technology

Independence, Hard Work

Work is About Obligation and Challenges

Health and Retirement Benefits

Top Down or Consensus Driven Decision Making

THE NEW GENERATION (Y OR MILLENNIALS)

Choice in Where We Work

Face to Face + Collaboration and Media Tools

Mobile Technology

Collaboration, Team Work

Work is About Fulfillment

Work-Life Balance

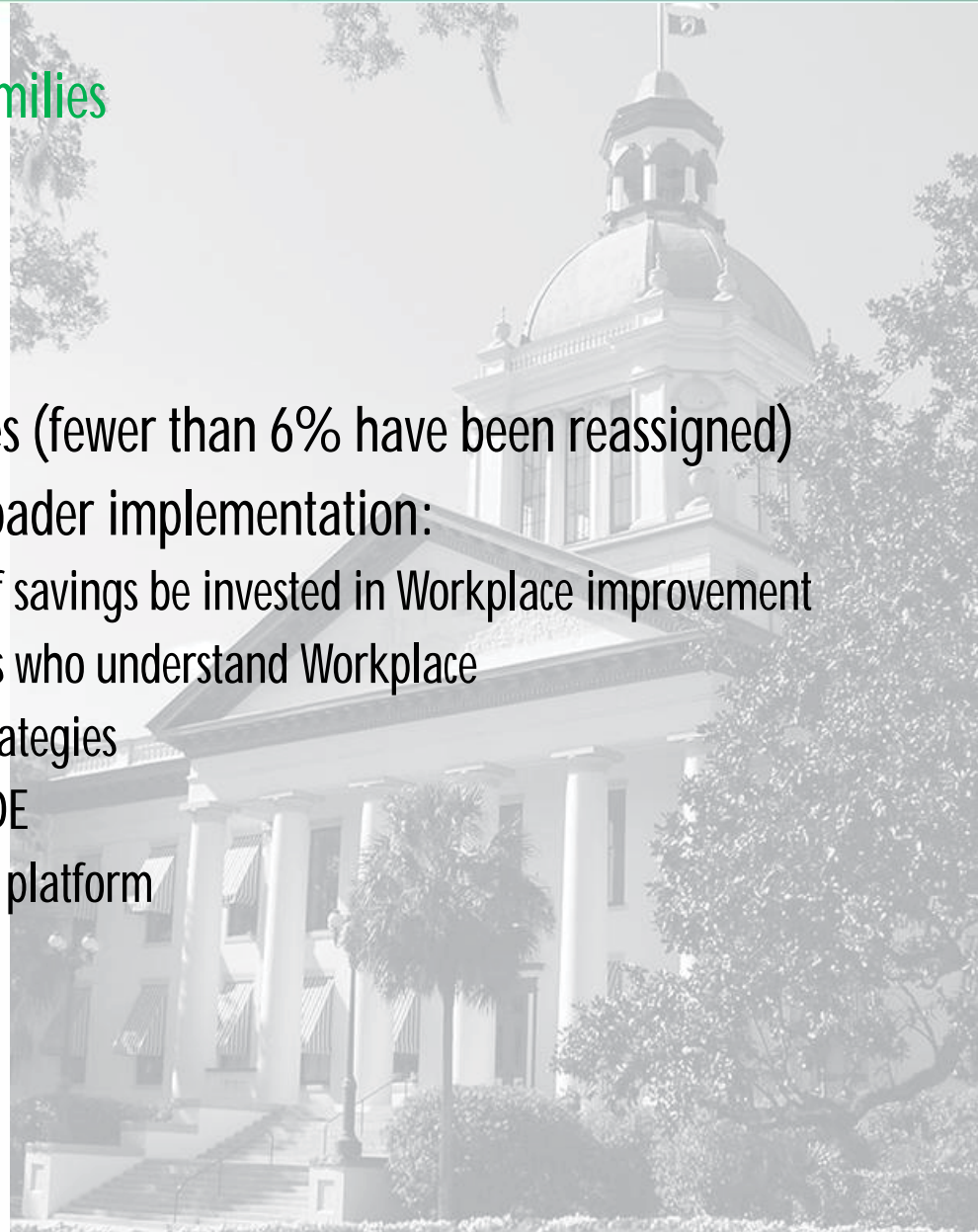
Speedy Decision Making

Progress in the State of Florida

Florida, Department of Children and Families

Achievements

- Established work station standards
- Established density and cost goals
- 14% of their population telecommutes (fewer than 6% have been reassigned)
- Develop their own thoughts about broader implementation:
 - Funding is an issue. . . .propose a % of savings be invested in Workplace improvement
 - Hire experts: Architects and consultants who understand Workplace
 - Work with regions to develop Metro strategies
 - Leverage purchasing power using PRIDE
 - Need to ensure existence of technology platform
 - DCF to develop HQ strategy
 - Build prototypes



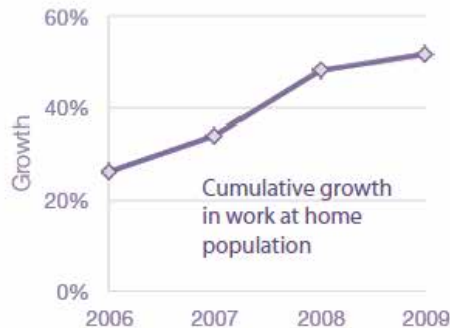
Teleworking in the State of Florida

Telework participation

In 2010, 1,400 Florida state employees were participating in telework

FL State OPPAGA report in January 2010

Recommended that the state of Florida require all state agencies to expand teleworking



Difficulty to Implement

Medium

Work process change

Long-Term Benefits

High

Improves continuity of operations

Cost to Implement

Low

Telework program already in place

Mobility



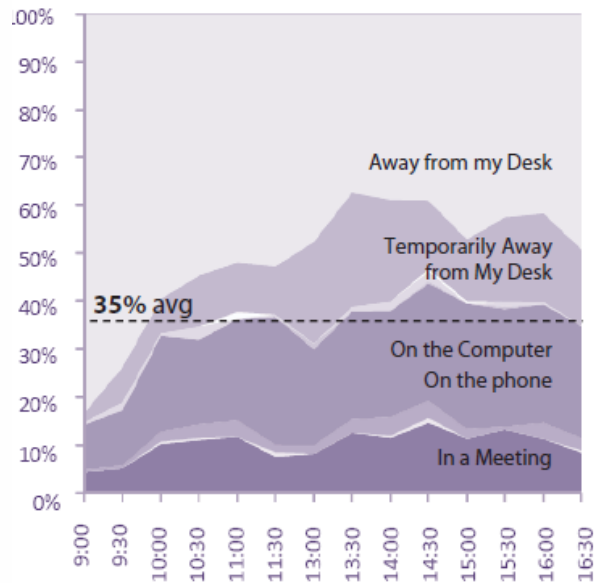
How often am I away from the office?



What kind of work do I do?



What is my interest level?



Work environments must support staff so they can work when and where they function best

Studies consistently show that office workers typically spend on average only 35% of their work day in their office. The rest of the time is spent working at other locations.

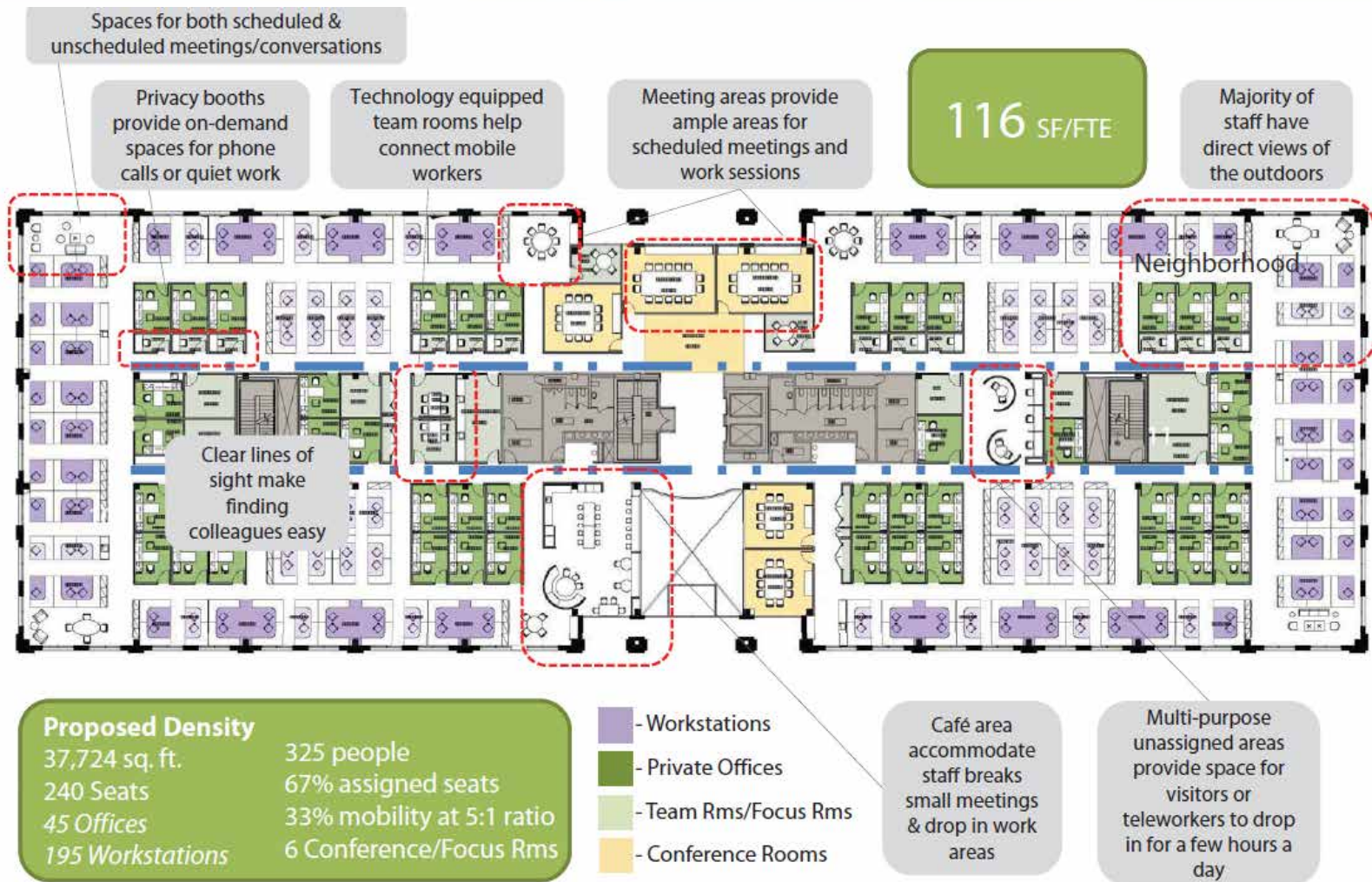
Difficulty to Implement	Long-Term Benefits	Cost to Implement
Medium	High	Low
Work process change	Improved operational flexibility	Some technology support required

Implementation implications

Key opportunities for improvement

	4 Space Savings Initiatives	Difficulty to Implement	Long-Term Benefits	Cost to Implement
DEGREE OF DIFFICULTY The degree of difficulty for each of the four space savings initiatives are dependent upon the amount of operational or organizational changes or the level of effort required for implementation	New Space Standards	MED	HI	HI
LONG TERM BENEFITS Benefits realized can be financial or employee productivity gains from enhanced work space, or flexibility. It can also encompass organizational benefits such as improved staff collaboration and new opportunities for cross-agency knowledge transfer.	Teleworking	MED	MED	LOW
COST TO IMPLEMENT Costs include construction, furniture, equipment, software, and other implementation costs.	Mobility	MED	HI	MED
	Records Storage	LOW	HI	MED

Typical high performance floor plan



The possibilities

Task Areas

- 1 120 SF offices
- 2 48 SF Workstations
- 3 36 SF Workstations



Collaboration Areas

- 4 Team Rooms
- 5 Open Teaming Area
- 6 Conference Rooms
- 7 Focus /Call Areas



Support Areas

- 8 Work Rooms
- 9 Central Copy Room
- 10 Break Room/ Pantry



Workplace360: CBRE program

Workplace360 is examining how we work at CBRE from all aspects – work environment, supporting technology, branding, personal productivity, space efficiency, sustainability, mobility, flexibility and more – applying this research to transform our future workplace.



What does success look like?

A Framework for Success

Categories	Performance Outcomes	Metrics	Original Goals
Sustainability /Health	Recruitment and Retention	No. of employees citing workplace as issue in exit interview No. of employees citing workplace as attractor upon hiring	Reduce workplace as issue in exit interviews Stronger recruitment tool
	Cross Team Deal opportunities	No. of cross-selling pursuits and transactions	Increase in number of cross-functional pursuits and transactions
		No. of hours and events hosted at new office	

A Framework for Success

A Framework for Success

Categories	Performance Outcomes	Metrics	Original Goals
Improving the Way We Work	Workplace Choice	No. of website workplace components Individual work, meeting room make Increase in collaborative seats	Increase in work settings Low than a 1:3 ratio
	Persistent Productivity	Employee self-reported time spent with clients Employee self-reported productivity assessments	Increase in time spent with clients Increase in self-reported productivity
	Employee Satisfaction	No. of employees that would recommend their workplace to a friend (NPS) eNPS reported employee satisfaction	NPS score > 7 High employee satisfaction
	Technology Improvements	No. of new laptops leased No. of IT laptops hosted Reduce no. of storage filespace through digitization	Increase no. of laptops Reduce on-site and off-site storage
	Health & Wellness	No. of LEED certified locations No. of ergonomic seats, workstations OELCA certification	New locations to be LEED certified New locations to include ergonomic seats, workstations

Workplace measurement: the next big thing!

Traditional measurements have been focused on efficiency. These include space and cost metrics.

There is now a great deal of interest in qualitative measurement of the Workplace and a better understanding of it's role in a number of critical "harder to measure" areas.

Attraction and retention

Productivity

Sustainability

Accelerating innovation and speed to market

Health and wellness

CBRE HQ EXAMPLE

BEFORE

52ksf NEEDED 12K MORE

171 SEATS 171 PEOPLE

321 SF/PERSON

3 DIFFERENT SPACES TO WORK

AFTER

48ksf

168 SEATS 374 PEOPLE

128 SF/PERSON

15 DIFFERENT SPACES TO WORK

The Digitization Results



78% REDUCTION IN FILE DRAWERS

91% OF PAPER PURGED (PRE-SCANNING)

1,169 REDUCED FILE DRAWERS FOR NEW SPACE

34% REDUCTION IN PAPER ORDERED (AS OF 7/13)

\$1.8M STORAGE SAVINGS OVER 10YR LEASE TERM

**DIGITIZED TO REDUCE STORAGE &
IMPROVE OUR PERSONAL EFFICIENCY**

What This Means to Our Employees

A REASON TO BE IN THE OFFICE



EFFECTIVE COLLABORATION



IMPROVED INDIVIDUAL PRODUCTIVITY



IMPROVED KNOWLEDGE SHARING



A BETTER CONNECTION TO CUSTOMERS



SUPPORTED MOBILITY



New space types



Neighborhoods:



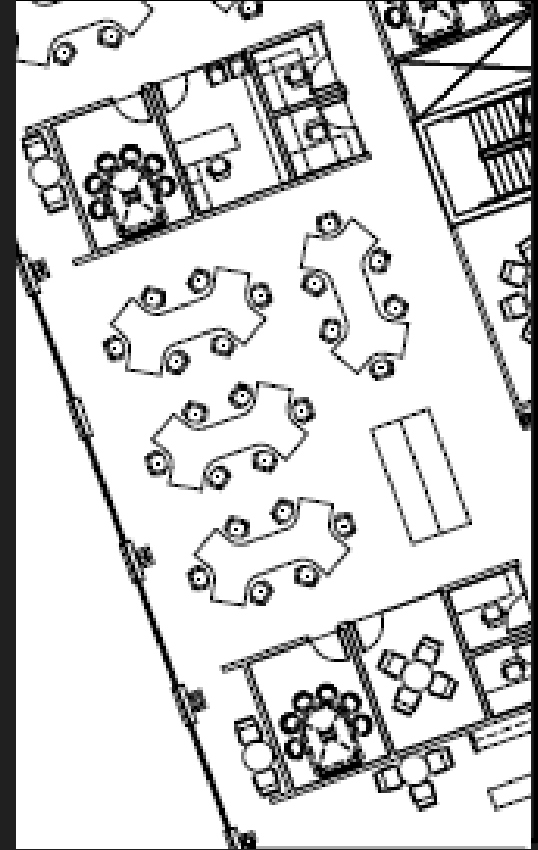
Open team space



Huddle rooms

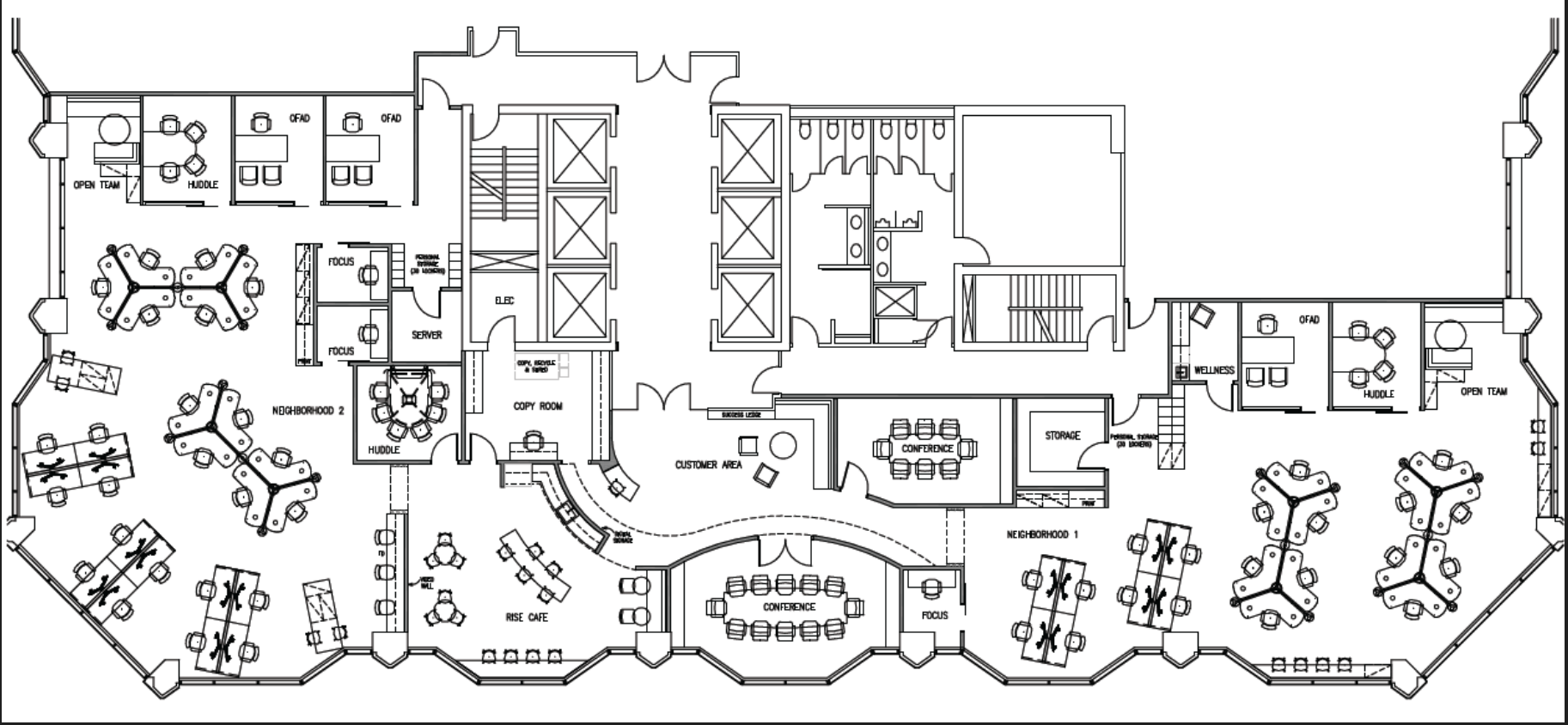


Office for a day



Less structured open plan layouts

Small site example



CBRE Honolulu

Maximize the use of daylight



Work as a project



Business value in social space



Not an endless sea of cubes



Health

COMFORT

Acoustic Damping Walls (*throughout*)
Ergonomic Workstations (*throughout*)
Antimicrobial Surfacing
EMF Shielding

WATER

Filtered Water Hydration Stations

NOURISHMENT

Nutrition Tips
Nutritional Snacks

MIND

Window Planters
Aromatherapy

AIR

Enhanced Air Filtration

LIGHT

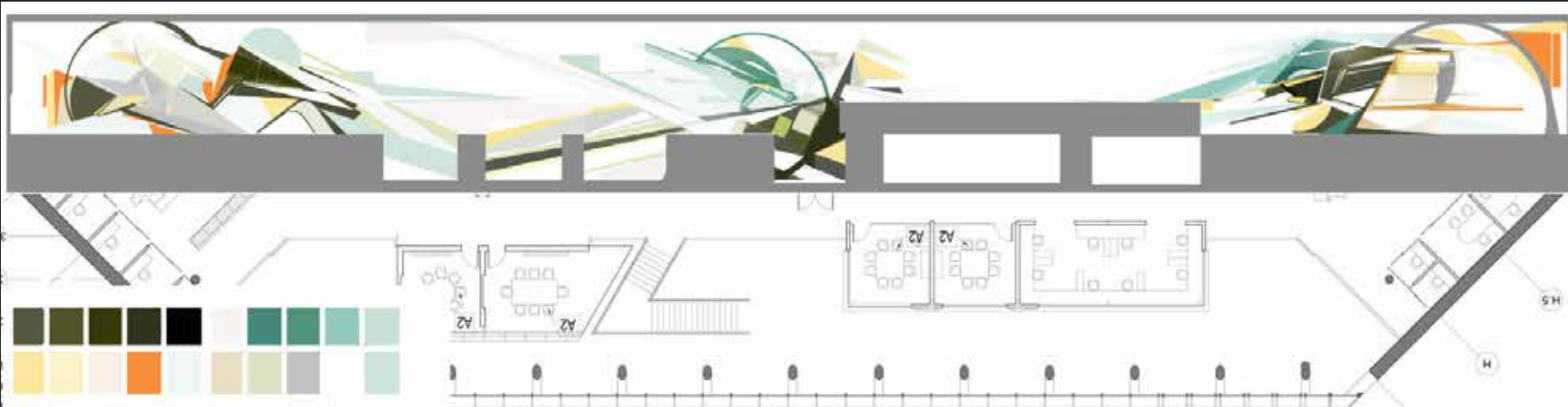
Circadian Lighting System™

FITNESS

Inviting Stairs
Lumbar Supporting Floor Core
Treadmill Desks
Stretch Area
Kybun standing pad



Art and Recognition



EXPLORED WAYS TO INFUSE
LOCAL AND STATE CULTURE

- LOCAL STREET ART
- MEDIA WALLS
- EMPLOYEE RECOGNITION
- NEW AWARD STRUCTURES
(CUFFLINKS INSTEAD OF PLAQUES)

Effective collaboration



Supporting mobility



Change Management

Change Management 2012

FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST

6th
On-site research conducted:
Utilization study
Leader interviews
Observation study
Survey

Fundings

DETAILED
THAT
TO
CBRE

1st Wa

Change Management 2012-2013

SEPTEMBER OCTOBER NOVEMBER DECEMBER JANUARY FEBRUARY

5TH
1ST STEERING
COMMITTEE
MEETING

21st
Workplace360 Roundup
eNewsletter update sent

27th
1ST ALL OFFICE
TOWN HALL IN
400 S HOPE

Neighborhood ideas are
introduced

Law goes paperless and
e-mails serve apoply,
maching the system

LEW'S 1ST BLOG
POSTING

Neighborhood ideas are
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Law goes paperless and
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IT equip

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OCTOBER

3rd
Workplace360 Roundup
eNewsletter update sent

4th
Law move out of his office and
Media Sage is setup

MANAGEMENT
TEAM GOES FREE
ADDRESS

17th
DTLA server apoply issue is
temporarily resolved

20th
Workplace360 Roundup
eNewsletter update sent

24th Trip to Amsterdam

25TH
DECIDED TO HIRE
A VENDOR FOR
DIGITIZATION

21st
IT equipment selection setup in
Technology Room

IT equip

NOVEMBER

2nd
Space plans approved for 400
S. Hope

3rd
Workplace360 Roundup
eNewsletter update sent

14th
Introduction to Delta Living

16th
Workplace360 Roundup
eNewsletter update sent

18th
Digitization RFP issued

26th
Workplace360 Roundup
eNewsletter update sent

28TH
CHANGE
COMMITTEES
KICKED OFF

Gender's 1st Design
Presentation

IT equip

DECEMBER

2nd
Met with Southland
Technology to learn about
Liquid Galaxy

7th
Workplace360 Roundup
eNewsletter update sent

Chair Fair occurs

13th
Furniture RFP sent to Herman
Miller, Steelcase, Knoll &
Haworth

HAPPY
HOLIDAYS!

IT equip

IT equip

JANUARY

HAPPY NEW
YEAR!

7th
Trip to Michigan to visit
Herman Miller and Steelcase

2TH
LEASE IS SIGNED

12th
Neighborhoods are finalized

15th
Workplace360 Roundup
eNewsletter update sent

17th
Gender presents final design

IT equip

IT equip

FEBRUARY

4th
Workplace360 Roundup
eNewsletter update sent

12th
Furniture Madup is installed

Liquid Galaxy approved

Legal department donates Law
Library to Goodwill

15th
Workplace360 Roundup
eNewsletter update sent

28th
1st Party

CONSTRUCTION
BEGINS

DIGITIZATION
BEGINS

IT equip

IT equip

Involving employees



RIDE A CHAIR BECAUSE YOU CARE!

Please join us on **September 25** for a fun-filled **CHAIR RACE** which will be directly after a **Vendor Chair Fair at 10am**. Don't miss the chance to preview the new office chair options!

Entry to the chair races will be **\$5 per person for 2 races and \$1 for every additional race**.

All proceeds will go directly to **CBRE Cares Hawaii**.

- All participants will be entered into a drawing to win **AWESOME prizes!!**



See Megan to sign up and pay your race fees!

//Workplace360

Evolution of Workplace



Connected

Wireless throughout

Social

Generationally relevant

Collaborative

Celebrate being together

Privacy

Available to all

Density

Highly utilized: improved density

Reflects Brand

Who are we?

Easy to Use

Fantastic user experience

Adaptable

Turn on a dime

Well Designed

Take care of the details, timeless

The Process

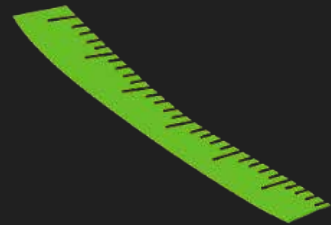


1. DEFINE

GET STARTED

Project Mobilization

- Project Kick-off Meeting
- Workplace Audit
- Visioning
- Stakeholders Communications



2. MEASURE

DO THE RESEARCH

Research

- Interviews
- Surveys
- Focus Groups
- Observation Study
- Utilization Study
- Industry Benchmarks
- Work Style Analysis
- Demographic Analysis

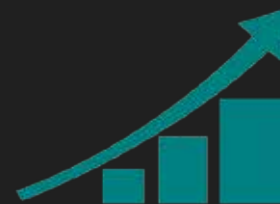


3. ANALYZE

REVIEW THE FINDINGS

Vision/ Concept Dev.

- Scenario Planning
- Occupancy Planning
- Test Fits
- Design Development
- Business Case Development
- Executive Presentation

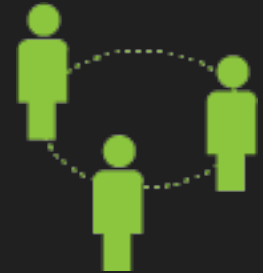


4. IMPROVE

IMPLEMENT

Implementation

- Implementation Roadmap
- Solution Design
- Change Management



5. CONTROL

MANAGE THE PROGRAM

Program Management

- Institutionalizing the Playbook
- Post Occupancy Analysis
- Case Studies
- Operational Guidelines
- Metrics Monitoring