Welcome!

A Global Workplace Community within CREC and CFC focused on increasing Workplace Innovation and Consciousness
EMPLOYEE ISSUES DRIVE THE MOVE TO AN ALTERNATIVE WORKPLACE!

Cost has dropped dramatically as the primary driver for workplace programs.

Dr. Gabor Nagy & Dr. Jim Creighton will be revealing these fascinating findings what they could mean to your organization.
Introductions

Presenters:

Jim Creighton, PhD.
Director
New Ways of Working

Gabor Nagy, Ph.D.
Ideation Manager
Haworth
WE member

Glenn Dirks
VP Customer Success
Better Workplace

Chris Hood
Managing Director,
Workplace Innovation,
CBRE; Sr. WE Advisor

Joining in the Discussions:

A Global Workplace Community focused on increasing Workplace Innovation & Consciousness
AGENDA

30 minutes: Presentation (Jim & Gabor)
   About the survey (4th Biennial Global Benchmarking Study, 2013)
   Top Trends, Key Takeaways
   Discussions on top trends
   Summary, Recommendations

30 minutes: Discussions / Q&A
   Glenn Dirks & Chris Hood joining
ABOUT NEW WAYS OF WORKING

A forum for dialogue among peers who are implementing some aspects of new ways of working.

www.newwow.net
ABOUT THE SURVEY

Survey Sponsors:

Project Leads:
Dr. Gabor Nagy (Haworth, Ideation)
Dr. Jim Creighton (New Ways of Working)

Project Team:
Dr. Reza Ahmadi (Emergent Solutions)
Dr. Jay Brand (Andrews University)
Glenn Dirks (Better Workplace)
Chris Hood (CBRE)
Dr. Joe Aki Ouye (NewWOW Champion)
Eric Richert (Optimaze)

Cooperating Organizations:

CBRE
IFMA
CoreNet Global
ABOUT THE SURVEY

The survey provides a better understanding of why and how organizations are employing alternative workplaces.

ALTERNATIVE WORKPLACE (AW) PROGRAM / PRACTICE
is the combination of non-traditional work practices, settings, and locations that supplement or replace traditional offices.

FORMAL PROGRAM:
An alternative workplace program supported by policies, tools, and technologies.

INFORMAL PROGRAM:
A collection of ad-hoc practices (example: no policies, but services and technology).
The survey investigated:

Types of alternative workplaces and work options used
Distribution of employee participating in work categories
Length and status of programs
Business drivers
Telework options
Nomenclature for AW programs
Management and executive endorsement of AW programs
Barriers to program development and expansion
Organizational change and employee involvement
Management policies and work practices
Common problems
Metrics for measuring success
Ways to measure employee productivity
Benefits of AW programs
Future plans
Fourth survey – can look at trends:

2008 survey: 32 organizations (mostly NA)

2009 survey: 103 organizations globally

2011 survey: 106 organizations globally

2013 survey: 169 organizations globally

169 organizations representing 1.6 million employees
ABOUT THE SURVEY

Top Four Industry Sectors

1. A&D / Construction / Real Estate (30%)

2. Professional Services (12%)

3. Banking / Investment / Insurance (9%)

1. Communications / Computers / Telecom / IS (8%)
Half of the organizations have <200 employees

Size of Participating Organizations

- >100000: 3
- 50000 - 99999: 2
- 10000 - 49999: 15
- 5000 - 9999: 12
- 1000 - 4999: 16
- 500 - 999: 13
- 200 - 499: 23
- <200: 86

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Sample of Participating Organizations

1762 Consultants
Albers Studio + Design, Inc.
Alternativ
AOS Studley
ATB Financial
BCBSNC
BICG
Big Bark Solutions
Boutique Apartments
CBRE
Cisco
Clarion Group
CMi
Co-Merge Workplace
Coalesse
College des Bernardins
Francis Cauffman
Gensler
Global Workplace Analytics
Granum A/I
GSA
Haworth
ICS
Innvire
Intex Solutions
Juniper Networks
Legrand
LifeWay
Medtronic
Now Forever
Office Principles
Orange Business Services
Plantronics
Progressive Insurance
Rapal Oy
Ratekin Consulting, LLC
Red Hat Inc
Rifiniti, Inc.
RKAS
Sargent
Select Office Suites
SideMark
Statoil ASA
STRABAG
Tactical Office Solutions
Teknion
TIAA CREF
Unisource Solutions
University Properties of Finland Ltd
VTT
Woods Bagot
Workspace Oy

All other organizations wish to remain anonymous.
Top three departments represented by participants:

1. Real Estate/Facilities Management: 35%
2. Executive Leadership (e.g. CEO, COO, CFO): 18%
3. Workplace Strategy: 12%

Top five professional affiliations of participants:

1. International Facility Management Association (IFMA): 59%
2. CoreNet Global: 45%
3. New Ways of Working: 20%
4. International Interior Design Association (IIDA): 18%
5. Building Owners and Managers Association (BOMA): 15%
HOW PARTICIPATING ORGANIZATIONS CALL THEIR AW PROGRAMS

Most Frequently Used Names...

- No common name for AW
- Most frequently: “no name at all”
- For many, this new way of working has become their normal way of working
- No “one size fits all” program
- The variety reflects the diversity and individuality of programs tailored to each organization
HOW PARTICIPATING ORGANIZATIONS CALL THEIR AW PROGRAMS

Most Unusual Names…

Workplace360  Cafe  Equilibrio

A2  Workspace with Inspiration

Free Seating Initiative  WorkWays  Mobility 3.0

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TOP TRENDS / KEY TAKEAWAYS

1. People issues overtake costs as top business drivers and benefits
   - “Soft” benefits are back to pre-recession levels
   - “Hard” drivers are pushed to lower priorities
   - Measuring success primarily with people issues

2. Trend of dropping barriers continue
   - Organizational culture and funding dropping fastest
   - People issues remain top barriers

3. Alternative Workplace developing as a sustainable strategy
   - Rate of adoption remains high as trend to move towards mobility continues
   - Number of companies with mature AW programs growing
   - AW programs move beyond simple telecommuting (+greater use of third spaces)

4. Trend towards informal programs continues to grow
   - Informal programs outnumber formal programs

5. Trend of growing executive involvement continues
   - HR more involved in running / managing the program
   - RE/FM less involved
DISCUSSIONS ON TOP FIVE TRENDS
1. PEOPLE ISSUES OVERTAKE COSTS AS TOP BUSINESS DRIVERS AND BENEFITS

Business Drivers – All Organizations

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<tbody>
<tr>
<td>Employee work / life balance</td>
<td>70%</td>
<td>69%</td>
<td>60%</td>
<td>58%</td>
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<tr>
<td>Employee productivity</td>
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<tr>
<td>Employee attraction/retention</td>
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<tr>
<td>Cost savings / space optimization</td>
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<td>Business agility</td>
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<tr>
<td>Improved collaboration</td>
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<tr>
<td>Access to customers and colleagues</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
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<tr>
<td>Sustainability / Eco-responsibility / Carbon Footprint</td>
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<tr>
<td>Business continuity (natural disasters, terrorist attacks, etc.)</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Increased international / cross time-zone work</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
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</tbody>
</table>

- 2013 - significant trend reversal
- Cost savings dropped from #1 to #4
- People issues back as top 3 drivers
- Sustainability and business continuity still relatively low
1. People issues overtake costs as top business drivers and benefits

**Business Drivers – Organizations with Informal, Ad-Hoc Programs**

- Employee productivity: 73% 73%
- Employee work / life balance: 73% 73%
- Business agility: 67% 67%
- Access to customers and colleagues: 58% 58%
- Employee attraction / retention: 56% 56%
- Improved collaboration: 39% 39%
- Cost savings / space optimization: 39% 39%
- Increased international / cross time-zone work: 30% 30%
- Business continuity (natural disasters, terrorist attacks, etc.): 25% 25%
- Sustainability / Eco-responsibility / Carbon footprint: 4% 4%

Cost savings / space optimization even lower priority (#7)

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1. Attraction & retention of employees
2. Employee work/life balance
3. Increased employee satisfaction
4. Increased employee productivity
5. Cost savings, including space reduction*

Benefits of Alternative Workplace Programs

- Attraction & retention of employees: 69%
- Employee work/life balance: 68%
- Increased employee satisfaction: 67%
- Increased employee productivity: 66%
- Cost savings, including space reduction: 57%
- Real estate flexibility: 42%
- Reshaping of business groups' processes: 33%
- Space reduction: 27%
- Emergency preparedness/business continuity: 27%
- Sustainability - smaller ecological footprint: 25%

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1. PEOPLE ISSUES OVERTAKE COSTS AS TOP BUSINESS DRIVERS AND BENEFITS

**Metrics for Measuring Success**

- Employee satisfaction: 56%
- Employee engagement: 46%
- Employee productivity: 43%
- Cost reduction: 40%
- Footprint reduction / workspace reduction: 36%
- None: 24%
- Business continuity: 22%
- Sustainability (e.g. CO2 reduction): 22%
- Other (please specify): 8%
- Mobile services: 6%

- Top 3 metrics people-related “soft” issues
- Cost reduction dropped #2 → #4
- Footprint reduction dropped #4 → #5
- Sustainability dropped #5 → #7
- Cost savings still #1 for organizations:
  - >200 employees
  - >6 years of program experience
  - with formal programs
2. TREND OF DROPPING BARRIERS CONTINUE

Barriers to Program Development & Expansion

- Trend: barriers continue to drop
- Organizational culture and funding dropping fastest
- People issues remain top barriers
- Trend: lack of IT support increasing
3. ALTERNATIVE WORKPLACE DEVELOPING AS A SUSTAINABLE STRATEGY

Length of Program

- Trend: rate of adoption remains high
- Number of companies with mature AW programs growing
3. ALTERNATIVE WORKPLACE DEVELOPING AS A SUSTAINABLE STRATEGY

Distribution of Employees Participating in Work Categories (Actual Usage)

- Trend to move towards mobility continues
- More and more companies track their employees
### 3. ALTERNATIVE WORKPLACE DEVELOPING AS A SUSTAINABLE STRATEGY

#### Number of Days Working from Home

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<th>2009</th>
<th>2011</th>
<th>2013</th>
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<tbody>
<tr>
<td>1 day / week</td>
<td>18%</td>
<td>32%</td>
<td>41%</td>
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<tr>
<td>2 days / week</td>
<td>23%</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>3+days / week</td>
<td>59%</td>
<td>45%</td>
<td>34%</td>
</tr>
</tbody>
</table>

- AW programs move beyond simple telecommuting as days working from home decreases

- While companies are less concerned about where/how their employees work when they’re away from the office, they want them in the office at least 3-4 days a week
3. ALTERNATIVE WORKPLACE DEVELOPING AS A SUSTAINABLE STRATEGY

Types of Work Options Used (Actual Utilization)

- Percentage of full-time employment increasing
- It is perhaps the improvement in the economy that is tilting working hours categories
4. TREND TOWARDS INFORMAL PROGRAMS CONTINUES TO GROW

Status of Program

- Informal, ad hoc practice (e.g. no policies, but services and technology may or may not be centrally provided)
  - 2013: 38%
  - 2011: 15%
  - 2009: 12%

- Formal program in some subgroups, and program under development in others
  - 2013: 29%
  - 2011: 15%
  - 2009: 12%

- Practice/program under development (e.g. policies, tools and technologies under construction)
  - 2013: 12%
  - 2011: 15%
  - 2009: 15%

- Formal program in place (e.g. including policies, tools, and technologies)
  - 2013: 0%
  - 2011: 20%
  - 2009: 38%

• Trend: informal implementations of AW continue to increase
• Our prediction in 2011 that informal programs might transform to formal has not realized
• Risk: informal programs may lack the full commitment to realize full potential

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5. TREND OF GROWING EXECUTIVE INVOLVEMENT CONTINUES

Departments or Business Units Running/Managing the AW Program

- Trend: executive leadership involvement continues to grow
- HR more involved
- RE/FM less involved
- This is consistent with the shift in business drivers from cost savings to people issues
1. People issues overtake costs as top business drivers and benefits
   • Assure your organization understands and is committed to your key business drivers and the role AW programs play in your overall capital plan
   • Try to use “soft” issues to support AW programs or partner with HR to introduce broad-based changes in workplace strategy

2. Trend of dropping barriers continue
   • Base decisions on data and assure stakeholders understand the behaviors, needs, and preferences of managers and employees in order to make informed AW program decisions

3. Alternative Workplace developing as a sustainable strategy
   • Provide a rationale for why employees need to work in the office a minimum number of days per week
   • Offset such mandates by offering more options for employees when they do work away from the office (e.g. mobile technology)
4. Trend towards informal programs continues to grow
   • For informal programs, try to establish some structure to assure that employees across the organization can participate as needed and desired

5. Trend of growing executive involvement continues
   • Executives are critical stakeholders in AW programs, thus should be fully engaged from the early planning stages
   • Engage any new stakeholders, such as HR for a more sophisticated, integrated approach
If you did not see your organization’s name on the list…

Next survey (5th): Spring of 2015 – open to any organizations

Only participating organizations will receive the 40+ pages full report, free of charge.

To put your organization’s name on the list:

Please send inquiries to: Jim.Creighton@NewWOW.net and visit www.newwow.net
THANK YOU FOR YOUR ATTENTION

Glenn Dirks and Chris Hood will join us for discussions
and we will take questions

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WE Thank YOU for joining us!

To be a part of WE, please join either CREC or CFC
Workplace Strategy Summit 2014

**WHEN:** June 8 – June 10, 2014

**WHERE:** Wokefield Park, England

**SPEAKERS:**
- Frank Becker, Cornell
- Alexi Marmot; University College of London

**SPONSORS:**
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