

Benchmarking Is Only A Starting Point

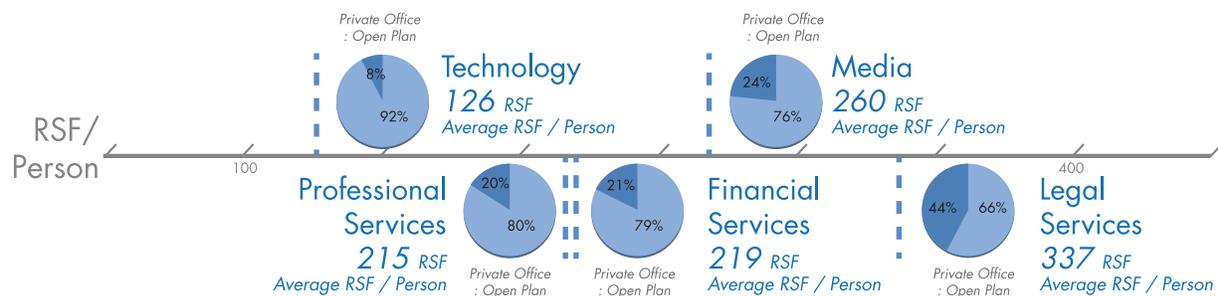
In a complex and risk-averse business environment, benchmarking has become an essential decision support tool used by brokers and clients to determine how much space a company needs. Historically, firms have looked within their own industry, but lately, regardless of the industry, companies are asking, “What’s Google doing?” as shorthand for wanting to know what the technology industry is up to. Looking outside one’s industry for best practices can be a source of innovation, especially if a firm is looking to move in a new direction. But companies first need to try these characteristics on for size to see if they fit.

Selecting and designing space means striking a balance between using space efficiently and creating engaging workplaces that attract top talent. Recent interest in the technology sector has been prompted by its seeming ability to accomplish both objectives. When we look at how and why the technology firms do what they do, we see that culture is a large part of what’s driving and informing their decisions about space.

Technology firms really walk the talk. First, their relatively smaller footprint is derived from the deployment of technology that supports mobility both within and outside the office. People enabled to work anytime and anywhere can chose their location based upon what they need to do and who they need to see. Giving workers that amount of freedom can be not only liberating for employees but for real estate as well. Second, organizationally, tech firms tend to be flatter and less hierarchical because their younger demographic is less interested in space assigned by entitlements and more interested in working in an environment that has a “buzz.” This means physical and visual accessibility: fewer private offices and more open, even unassigned spaces that promote awareness of what others are doing and provide opportunities for serendipitous encounters.

In this environment, employees do not see the open plan and smaller spaces as taking something away because the culture promotes and thrives on connectivity. More importantly, as individual square footage is reduced, other space types come into being: phone booths and quiet rooms for times when privacy and concentration are needed; team rooms for group work; pop-ups and open lounge areas for quick and/or spontaneous collaboration and amenity spaces like cafés, game rooms and decompression rooms.

People have choices. This kind of variety not only offers employees spaces that support the work they are doing, but helps to create dynamic, exciting work environments that people are drawn to. In an industry that is constantly changing, variety also builds flexibility into the workplace so that the space can morph as it needs to. Lastly, understanding that our world is becoming increasingly 24/7 and global, tech firms have created borderless and timeless access to talent through virtual communication.



Note: Data represents NYC-based properties, 3-4 companies per industry sector. Pie charts represent percentages of open to closed work spaces based on seat count, not on square footage.

Every industry wants a flexible, efficient workplace that attracts talent and can adapt to change, but for most, a wholesale adoption of the technology industry's practices would result in extreme culture shock. Companies that have successfully implemented new concepts have done so by testing them and making them their own.

As an industry and a culture, the professional services industry (accounting, brokerage, construction) is possibly even more mobile than the technology industry, which is why these firms have been able to embrace—at least in part—the open-plan benching and mobile work programs that reduce square footage and increase interaction. One Fortune 100 accounting firm continues to push the envelope by an ongoing process of evaluation and refinement. In its latest iteration of workplace standards the firm counts every seat—including conference room chairs—as an individual workspace, and employs a practice called “reverse hoteling” that allows partner offices to be used as meeting rooms when unoccupied. Knowing their business as they do, the upper management at this firm apply these practices only to certain parts of the organization. Constant vigilance will tell them when they've reached their tipping point.

In finance, a more conservative industry but one that is evolving, “Google-type talent” is being aggressively recruited, and “kitchen table” suites are emerging in executive areas to promote collaboration (and deal-making) across disciplines. Moreover, a London-based global bank has successfully deployed a combination of benching, cafes, quiet rooms and tech bars across groups that include marketing, communications and, of course, IT—and the bank continues to seek additional candidates for newer space types.

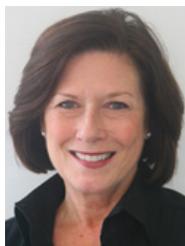
Even in law, arguably one of the most traditional and change-averse professions, technology has transformed the library from a physical space to an online resource and supports “homeshoring,” the practice of outsourcing to professionals in less expensive markets, with virtual collaboration. And while the culture is still largely rooted in private office entitlements, more and more firms are testing the attorney/support ratios in their offices, resulting in reduced or repurposed space as well as opportunity for increased collaboration.

Benchmarking is only a starting point. Companies really wanting to test new concepts should consider a pilot project. Pilots provide an opportunity to experience, in microcosm, the potential benefits of adopting new practices and to assess how much work it will take to orient people to change before investing in a large scale workforce transformation. Pilots mitigate risk by providing a safe place to learn what works and what doesn't work for the business and the culture. A well-thought-out pilot involves goal orientation and the development of key performance indicators at the executive level, and surveys and town halls at the employee level.

According to *INC.*'s Feb. 25 article, “Check Out Facebook's New NYC Office,” Facebook's New York engineering head, Serkan Piantino, actually polled employees on both location and atmosphere preferences in planning the firm's recent move to 770 Broadway. Companies that might be reluctant to engage employees should take note of this.

Engaging employees in the pilot is a great way to socialize newly desired behaviors, create buzz and pave the way for future transformation. Finally, the best part of a pilot is the opportunity it affords a company to learn from and for themselves, what's truly right for them.

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