# Three Companies Who Didn't Wait for (Another) Disaster to Strike

When Hurricane Sandy landed on the East Coast on October 29, 2012, more than 55,000 buildings in New York City and its surrounding regions were rendered completely uninhabitable, displacing millions of people from their homes and offices and making the metropolitan area temporarily obsolescent. Hurricane Sandy turned out to be the second-costliest hurricane in U.S. history, and the past six months have included some of the East Coast's most damaging and costliest weather of all time. In fact, on an annual basis since 2000, weather on the East Coast has caused an average of $22 billion in building damage.

Not surprisingly, many companies are rethinking the built environment. For those organizations that haven't yet begun to do so, the arrival of the 2014 hurricane season on June 1 has brought with it a reminder to get ready. The very different lessons learned by three companies that survived Sandy (all of which chose to remain anonymous despite their notable achievements), all conveyed here, may help kickstart a conversation about taking precautions before the next "superstorm" hits.
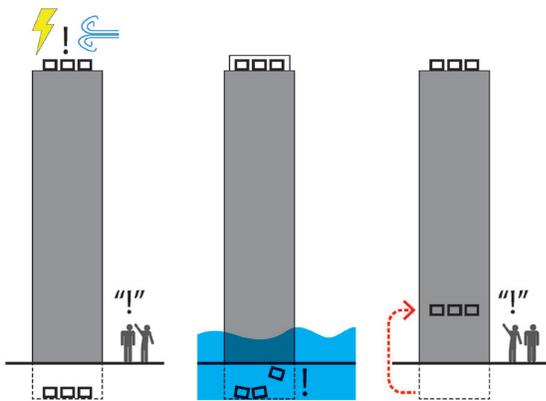


**Example 1: Adjusting infrastructure**

Prior to Hurricane Sandy, one Manhattan-based Fortune 50 insurance firm took the necessary precautions to protect its roofing equipment, given the forecasted wind speeds and lightning risks. However, the firm did not take into account what would happen if the basement flooded, which occurred. Oil tanks dislodged from the basement floor and floated, tearing all pipe connections with them, which meant that even though the generators were safe on the roof, there was no oil to supply them with power. Following Sandy, the firm relocated the oil tanks and basement equipment to the building's second level, diminishing its leasable space but also minimizing the potential effects of a future disaster involving flood waters. The good news was that the company was able to get the building up and running within six weeks after Sandy, an extraordinary feat compared to other buildings in Lower Manhattan. Now, given the firm's new infrastructure changes and crisis management plans, in case of a future Sandy-like occurrence, the anticipated downtime has been reduced by 75 percent.

**Example 2: Introducing mobility**

A Fortune 500 financial firm located in Midtown Manhattan experienced record-breaking profits during the fourth quarter of 2012 despite the fact that, for several weeks during that period, no one was actually physically in the firm's headquarters nor did anyone have access to the data center. But in the aftermath of Sandy, aided by mobile technology, the firm maintained business as usual by deploying employees to its regional locations and distributing work regionally and globally. Manhattan-based employees were deployed to excess space throughout the region and work assignments were shifted to other company locations around the globe, and people who could not travel worked remotely via cell phones and laptops. Discovering how productive employees could be while working remotely prompted the company to undertake a months-long study to examine its real estate holdings and how space was being allocated and utilized. The real estate review was part of a desire to affect a corporate-culture

change that would encourage a management-by-objective approach to employee oversight and support more mobility both within and outside the office. The goal was to make the company more agile and attractive to the younger generation of talent.

In the year and a half since Hurricane Sandy, the firm has piloted new space types that range from benching with no assigned offices (but plenty of sound masking) for sound engineers, to executives moving from 250-sq.-ft. exterior offices to 150-sq.-ft. interior offices, thus increasing visual transparency across the floor. All employees are now on laptops, with one-third of the firm's workforce telecommuting, and several hoteling options are being introduced to accommodate future growth. For workers with longer commutes, the firm is also looking into potential "hub-and-spoke" options like satellite offices and/or shared co-working locations. Imminent plans include vacating 500,000 sq. ft. in Midtown and moving 250 people to Lower Manhattan. Admittedly, from a Hurricane Sandy perspective, the company is moving straight into the "eye of the storm," but it is doing so as a more nimble company, better prepared than ever for the future.

### Example 3: Changing corporate culture

A major law firm located in Downtown Manhattan one block from the East River experienced a cultural epiphany while occupying temporary quarters for almost three months after Hurricane Sandy. The catalyst for this law firm to rethink its master plan was its senior management's observation of how all levels of employees interacted with each other when forced from seven floors of perimeter offices into two floors of mostly open workstations. Although at first the interaction was largely social, before long an increase in teamwork and information-sharing was evident, as was the quicker access to decision-makers. With master planning now underway, the firm plans to maintain and build on the culture of collaboration and the "buzz" experienced in the temporary space. In doing so, the focus will be on reducing and centralizing administrative support, converting excess space to a diverse range of collaborative settings and utilizing open spaces and material finishes to increase daylight penetration and to create an overall sense of awareness among employees.

Experiencing Hurricane Sandy initiated a real culture shift for the firm. With its lawyers now more aware of the value of teamwork and collaboration, the company is seeking future employees that embrace its new business model of using team dynamics to get work done together. In addition to more collaborative and informal meeting areas, the redesigned space will also provide a new conference center for the firm in the same amount of square feet.

### The take-away

What is most striking about the changes implemented in these three examples is that none of them was part of a master plan or business strategy. Instead, the changes stemmed from decisions made as the result of an abrupt change.

Hurricane Sandy is an extreme example of obsolescence that doesn't happen every day, but natural catastrophes are not the only threats to business as usual. Unexpected market shifts, as well as less overt influences such as the introduction of new technologies, talent wars, culture clashes from mergers and rising healthcare costs, can be just as capricious and debilitating to a company's ability to survive and thrive. Helping businesses to be as prepared as possible poses both an opportunity and an obligation for design professionals to help their clients make decisions that will "future-proof" their work environments.

Fran Ferrone is the Director of Workplace Innovation for Mancini•Duffy, a New York City–based architecture, planning and interiors design firm

## ABOUT THE CENTER FOR WORKPLACE INNOVATION

People are a company's most valuable asset and in today's business environment it is people who make the difference. Our mission is to combine real estate, technology and business processes to create exceptional spaces that empower people to do their best work. We align design solutions with actual business drivers and create performance metrics to establish a feedback loop that continues to inform. This builds agility into the workplace to support the way people work today while enabling its evolution to support the way they will work in the future.