



**FUTURE
OF
WORK**
A Membership Organization
for HR, IT & Facilities Professionals

Future of Work Corporate Members Roundtable

March 9-10, 2005

Meeting Participants

Tom Bomba, Jones Lang LaSalle	Dan Johnson, Accenture
Shelly Brown, Herman Miller	Johanna Lacambra, Agilent Technologies
Claire Crocker, Hewlett Packard	Renee Leach, Hewlett Packard
Jill Duncan, Herman Miller	Pamela Stanford, IBM
Charlie Grantham, <i>Future of Work</i>	Jim Ware, <i>Future of Work</i>
Karen Hiramoto Lee, Hewlett Packard	Gloria Young, City and County of San Francisco

Summary of Day One

The following are key highlights of the discussions and presentations at the *Future of Work*, Corporate Members Roundtable hosted by Hewlett Packard on March 9-10, 2005.

Note: all available presentation materials, mostly in Adobe Acrobat format (PDF), are available for downloading from our website. A Zip file containing all the presentations is accessible at:

http://thefutureofwork.net/assets/FOW_March_Roundtable.zip

Thanks to all who participated in the Roundtable. We know these notes don't come close to capturing the richness of our conversations, but we believe they provide a basic sense of the topics covered and the issues we raised and explored together.

Session One: Personal Introductions and Issues of Interest

We opened the Roundtable with personal introductions that included statement of particular interests or issues that the participants are currently wrestling with. Here is a quick summary of the issues that were identified and discussed briefly:

- ◆ Managing the workplace portfolio (Johanna Lacambra)
 - Integrating “outposts” (not just remote offices but all other locations where employees work)
 - dealing with acquisitions
 - managing upgrades and refreshes
 - making the case for change
- ◆ Changing mindsets (Claire Crocker)
 - consolidating space (and having the workforce accept smaller space, or no assigned spaces)
 - outsourcing and project management issues

- ◆ Managing services delivery on a global basis (Renee Leach)
 - balancing cost reductions with productivity
 - allocating resources across different geographies
 - servicing external customers (helping bring products to market, managing subs, etc)
 - creating and enhancing partnerships with IT, HR, and other internal partners
- ◆ Developing standards and governance approaches for the “on-demand workplace” (Pam Stanford)
 - defining role-based work environments (that is, different environments for different workers, based on their roles)
- ◆ The changing nature of the workplace (Jill Duncan)
 - managing multiple locations (like third places as well as owned facilities)
 - educating the workforce to see the workplace as a strategic tool
 - linking the workplace to business performance
- ◆ Staying in tune with broad trends that affect the workplace (Shelly Brown)
 - building scenarios
 - measurement
 - knowledge worker productivity
 - growing pattern of people working in multiple locations
 - what is the value of face to face interaction?
- ◆ Thinking in terms of portfolio strategies (Tom Bomba)
 - taking both *place* and *space* into account (and recognizing their difference)
 - how mergers and acquisitions impact the real estate portfolio
 - developing alternative workplace strategies
- ◆ Civil Service Reform (Gloria Young)
 - culture change
 - knowledge management
 - telecommuting
 - homeland security and disaster recovery (distributed work and government)
- ◆ Right sizing the portfolio
 - enabling mobility
 - have we overcorrected in our zeal to downsize?
 - how do we maintain community and connectedness with a highly distributed workforce?
 - let's be sure that we get tangible in our discussions and forward plans

Session Two: HP's Real Estate and Workplace Services

Presenters: Renee Leach, Karen Hiramoto Lee

Materials: HP's Real Estate and Workplace Services (REWS)

Link: http://www.thefutureofwork.net/assets/HP_REWS_Mar05.pdf

Renee and Karen described the REWS organization and its context and role within HP at large. They also traced the evolution of workplace services and the workplace vision through three primary stages:

1. The Next Generation Workplace (1997-2000)
2. The Personal Work Environment (2000-2004)
3. The HP Workplace (2004 – present)

The HP Workplace vision focuses on the coordination and integration of basic services, technology, and space planning. It represents a move toward a higher percentage of the workforce in free-address environments. The HP Workplace initiative has three primary goals: cost savings, eliminating under-utilized space, and enhancing workplace effectiveness.

However, acceptance of the new environment has been slow (both by employees in general and by management, which doesn't fully "get" the business case). Because of the mixed reactions the redesign of facilities to reflect the new vision has also been slower than REWS would like (also, partly because of budgetary constraints).

Renee also mentioned that REWS is thinking more and more in terms of the *experience* the workplace creates – not only for employees but for visitors (customers, prospects, suppliers) as well.

Renee briefly described the assessment process that HP relies on – a 5% workforce sample is surveyed every other month for feedback on utilization, satisfaction, and other measures. We had a brief discussion at that point about the importance of how feedback questions are phrased.

Karen then showed us a number of photos of the newly redesigned space in Building 46U, which the group then toured after lunch).

Session Three: IBM's "On Demand" Workplace

Presenter: Pamela Stanford

Materials: IBM's On Demand Workplace

Link: http://www.thefutureofwork.net/assets/IBM_intro_March_9_05.pdf

Pam Stanford introduced herself as well as Nancy Forbes and Jeanette Blomberg, the other IBM representatives to *Future of Work*.

However, the primary focus of Pam's presentation and the ensuing group discussion was on the IBM experience in developing and implementing the "On Demand Workplace" – IBM's term for a very comprehensive web-based portal through which IBM employees access the information and applications they need to get their work done on a daily basis as well as to take care of their personal needs (e.g., travel, expense management, web conferencing, HR and benefits, internal newsletters and other communications, managing their workplace assets, eLearning, and help desk support – among other tasks).

The On Demand Workplace has produced documented savings at IBM of over \$2 billion in administrative costs and time savings. IBM's real estate costs have dropped by 51%, while the company estimates that employees working from home or nearby locations are saving over 29 million hours of commute time annually.

Pam also mentioned that IBM estimates it saves approximately \$10,000 per year for each employee who gives up an assigned work space. IBM's Work at Home program is voluntary, but most people prefer to work that way. The company provides a ThinkPad laptop, a phone line, and high speed bandwidth, but does not subsidize office furniture or files.

In the discussion following Pam's formal presentation we all felt that the company's "near-death" experience was a very big contributor to the success of the initiative. It was also clear that the management focus on simplifying IBM's many complex business processes and the insistence on employees actually *using* the On-Demand applications were central to the realization of such significant cost benefits.

Session Four: Creativity and Office Design

Charlie Grantham led an informal discussion about the project that WDC is currently conducting in collaboration with the Interactive Institute, based in Stockholm (we've written about the project briefly in recent issues of our monthly newsletter).

The core question we are addressing is how office design and technology interact with, and impact, organizational capability for creativity and innovation. The best general description of the project and it's research questions is the article on "The Creativity Imperative" that appeared in the December 2004 issue of *Future of Work Agenda* (downloadable at: http://www.thefutureofwork.net/assets/The_Creativity_Imperative.pdf).

The project is being funded by **Norvidden**, a large commercial property developer in Stockholm, and by **Pfizer** and **Herman Miller** here in the United States. The project involves

two preliminary design workshops (one in the United States and one in Sweden, both completed in February) and then a final plenary session in Sweden in late May.

We recruited several "trend scouts" to help us speculate about organizational innovation, office design, and technology impacts. The US trend scouts who joined us at the San Francisco workshop were:

- ◆ **Lynne Waldera**, founder and CEO of InMomentum, Inc.
- ◆ **Neal Zimmerman**, author of *At Work At Home* and founder of Zimmerman Associates.
- ◆ **Nancy Napier**, Professor of International Business Strategy at Boise State University.
- ◆ **Kevin Kampschroer**, Director of Research & Expert Services at the GSA's Public Building Service.

Kevin Kelly, also of the GSA, participated in the workshop as well.

And Nancy Napier has written a brief article about one of her contributions to the workshop discussion, focusing on an intriguing side of creativity as it she is observing it in three very different contexts – a theater company, a software firm, and the Boise State football team. We published the article in the March 1 newsletter; you can download it at:

http://www.thefutureofwork.net/assets/Three_Ds_of_Creativity.pdf

We described the project's research hypotheses and initial ideas to the Roundtable participants by reviewing and discussing four large graphic charts that were created by our colleague Susan Kelly during the February 9-10 workshop in San Francisco.

Those charts are technically proprietary to the project sponsors, but we can make them available to *Future of Work* members on an individual basis (in return for your comments and suggestions that could help strengthen the project's findings).

We are now in the process of preparing detailed analyses of the February workshop results. Once completed, these US-based results will be compared and contrasted with the results of the parallel effort workshop held in Sweden. At this early stage of analysis several insights and perspectives are emerging:

- ◆ The engine of value creation in the future will be creative and innovative processes. Furthermore, those processes are primarily social in nature and require a new level of collaborative team efforts. And we must carefully distinguish the differences among cooperation, coordination, and collaboration.
- ◆ Technology is simply an enabler of innovation processes. The best thing technology can do to foster creativity and innovation is to remove routine tasks from our work, freeing humans up to invest their time and energy in being creative. Simplicity of technology should be a primary design principle.
- ◆ The space in which you work does affect your creative potential. Variety, flexibility, and connectedness to open environments are all critical. Reflecting on Montessori school classrooms, artist's lofts, and European piazzas can give us some hints about how to design innovative workplaces.

Session Five: Alternative Workplace Strategies

Presenters: Tom Bomba, Charlie Grantham

Material: Creating Your Alternative Workplace Strategy Program

Link: http://www.thefutureofwork.net/assets/AWS_March_9_05.pdf

Tom and Charlie reported on a JLL/WDC collaborative effort to develop a “toolkit” for assessing an organization’s real estate portfolio from a strategic perspective and – most importantly – defining a strategy for moving the portfolio over time towards an alternative workplace model.

Charlie walked the group through the core methodology – a four-stage process (Assess, Recommend, Plan, Implement) and then Tom described a case study in which a JLL client reviewed its entire real estate portfolio and developed an analysis of which facilities to move into an alternative workplace environment, and in which order.

The projected run rate savings resulting from the new portfolio strategy were in excess of 24% of the total portfolio cost, with a payback from the required investment of less than one year.

Summary of Day Two

Session One: Measuring Workplace Effectiveness

Presenter: Jim Ware

Material: Measuring Workplace Effectiveness: Starting Points

Link: http://www.thefutureofwork.net/assets/Workplace_Effectiveness.pdf

This brainstorming session, led by Charlie and Jim, focused on the challenge of how to most effectively link workplace attributes (cost, design, usage, etc.) to bottom-line business performance. Dan Johnson of Accenture expressed particular interest in this topic, and challenged the group to develop a comparative benchmarking process that could eventually enable all the members to learn from each other’s assessment practices as well as to compare actual performance data.

Jim Ware opened the session with a brief overview of measurement concepts and practices. He reminded the group of the Balanced Scorecard (which began exactly this way – as a collaborative effort by a group of companies to develop a broader way of aligning company activities with strategies). Renee Leach mentioned that HP has adopted the Balanced Scorecard across the entire company and all functional areas.

Jim then described an interesting effort at Sears Roebuck in the early 90’s to develop direct causal linkages between employee satisfaction, customer satisfaction, and business

performance. Sears was able to track at an individual store level the direct impact of an increase in employee satisfaction on earnings per share.

Finally, Jim described two other examples of “causal chains” in which a group of functional activities were linked to business performance through several intermediate measurements (all of this is in the presentation document linked above).

Dan Johnson (Accenture) and Jill Duncan (Herman Miller) then briefly described a collaborative measurement study that their two companies conducted several years ago.

The rest of the session was a group conversation that produced a template category system linking workplace attributes (or, more generally, descriptors of the work environment) to workforce behaviors, attitudes, and culture, to organizational capability and performance, and ultimately to business results:

Work Environment -> Workforce Behaviors and Attitudes -> Organizational Capability -> Business Results

There is a whole lot of detail underneath this causal chain; we are documenting it this week and will distribute a more complete description to all corporate members as soon as it is available. We will then propose several action steps that we can take together:

1. Review and upgrade the basic template/category system.
2. Conduct a member survey to determine which actual measurements each company is currently using within this matrix.
3. Discuss which of those measures the group would be willing to share with each other, to begin creating a comparative benchmarking database. And then commit to bring those reports to a future members roundtable meeting.

We'll have more specifics on this initiative within a few days.

Session Two: The World Congress on the Future of Work

Our final conversation was a brief one reviewing the current design for the World Congress, to be held in Philadelphia April 26-28 (beginning with an opening reception on the evening of the 26th - there are also three pre-event workshops scheduled for the morning of the 26th, but they are unlikely to be held). Jim Ware walked the group through the current agenda (available online at http://futureofworkcongress.net/congress_schedule.php).

We will use the World Café model once again, focusing on a number of small –group conversation as we did last year. The conversation questions and topics, outlined in the agenda, include the following:

◆ World Café I

- What do you want/need to know about the future of work? Where is it already happening?

- What forces are driving us towards change?

◆ **World Café II - Town Meetings**

- Place and Space (Toni Kistner, Neal Zimmerman)
- People and Organization (Rebecca Ryan, Robert Morgan)
- Technology (Laurie Orlov)
- Community Development (Bruno Bottarelli)

Note: These “Town Meetings” are an innovation this year. The four separate meetings will go on simultaneously, each headed by an expert who will launch an open panel discussion with several hand-picked Delegates. However, as with the other World Café’s, the bulk of the Town Meetings will again be conducted around small tables in groups of four.

◆ **World Café III**

- What keeps Dilbert in the cube? What do organizations do to avoid or postpone the future?

◆ **World Café IV**

- What works in the real world?
- How can we become individual change agents and organizational success stories?

The discussion about the agenda centered around a general concern that the 2004 World Congress, while very engaging, left Delegates with little tangible sense of what they could actually do about making the future of work real in their own organizations.

In response to this feedback (which we have received from many sources, and which we also felt ourselves), the theme of the 2005 World Congress is explicitly “Making it Real: From Vision to Action.” We fully intend to raise implementation questions throughout the event, and we will be distributing an “Implementation Toolkit” to all Delegates during World Café IV.

In addition, we are already planning a much more aggressive approach to maintaining relationships with the Delegates after the World Congress is over – with an online Forum, perhaps some web-based “jams,” and other means of continuing to engage the Delegates.

We welcome suggestions and ideas from any of our Future of Work members as we move closer to the World Congress. We want the entire World Congress event to be as interactive and as meaningful as possible.

Summary of Key Learnings

We concluded the Roundtable with a quick round-robin of what each participant viewed as their most important learnings. A summary list follows:

- ◆ The IBM On Demand Workplace – its breadth and scope, and impact
 - the “People Finder” application within the On Demand Workplace – its power to help identify the skills and knowledge needed at any particular time
 - the business value of true transformation
 - it’s impressive that IBM’ers are opting in to the program (and out of dedicated office space); they are finding personal value in this new way of working

- ◆ HP's new space
 - questions about how big a change it represents for HP
 - and how workers will react to it and use when they move in
- ◆ The way IBM has treated use of the applications and processes embedded in the On Demand Workplace as a “condition of employment”
- ◆ The whole concept of real estate portfolio optimization – how to think about it strategically
- ◆ We're still wondering why CEO's don't jump at the prospect of achieving a 30% or more reduction in the overall cost of workforce support.

Next Meeting

The next meeting of *Future of Work* Corporate Members will be September 13-15, 2005. Herman Miller will host the meeting at their corporate headquarters in Zeeland, Michigan.