

# COOR SMART OFFICE

## REALIZING THE FULL POTENTIAL OF THE WORKPLACE!

The typical office lease length in Stockholm, Oslo, Copenhagen and Helsinki is between 3-10 years. With over 40 million sqm office space, high rents, low utilization rates and productivity problems, it is time to take a more holistic life-cycle perspective on the workplace. Smart Offices and related innovations makes organizations attractive, enhances the employees' experience and increases their productivity, enables cost savings and drives sustainability. We also see workplace management area as a key for us in FM business to use to take FM to a higher level, to shift from cost focus to more of a value focus. We do not just deliver services, we deliver value!



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### 4 KEY DRIVERS OR ENABLERS OF CHANGE WITHIN THE WORKPLACE MANAGEMENT AREA

We see 4 key drivers or enablers of change within the workplace strategy area and these are Cost/price pressure; Sustainability & Corporate Responsibility; Technology; and the War for talent & Productivity area.

1. We still see a lot of focus on the cost side due to the economic situation, maturing markets, global competition and the fact that cost like staff cost and rents rise continuously. The rent is really high in our Nordic capitals and we also know that the utilization generally is low. Almost never over 50%. In England for example the Real Estate managers see a reduction of almost 50% of the need of space within 5 years (Mitie, Executive Research 2014) and we can see the same kind of picture in the Nordics as well.
2. The focus on sustainability continues to be even harder, and not only environmental responsibility but also social responsibility. We can see that these factors are now seen more as an business opportunity and way to attract employees and clients, rather than just a hygiene factor. In future companies will not get neither clients nor employees if not being sustainable.
3. When it comes to technology, we see technology as both a driver and enabler. Technology is both driving and making change possible. Not only new technology, but also existing technology that has become cheaper and more available for us, and also we as private persons, employees and organization, have also become more mature when it comes to technology. We are more used to technology and to trying out new things, and if it doesn't work we can try out something else.

### CORPORATES ARE FIGHTING A WAR FOR TALENT AND INCREASED WORKFORCE PRODUCTIVITY

4. Corporates are fighting a war for talent and increased workforce productivity and the workplace, meaning "office, home and third place", is really becoming an important differentiator!

- Unemployment remains high, however both private and public sectors struggle to recruit and retain talented people.
- We have a variation of people at workplaces. We have for example a 4 generation workforce today with different preferences and attitudes towards work and workplaces, but it is more the tasks and activities that differ than the generations, so one should not focus mainly on the newer generations. There are also other variations amongst the people, for example when it comes to cultural differences and different personalities like introverts and extroverts.
- Many people at work today are not engaged and how does this affect productivity and performance. (63% not engaged and 24% disengaged as an average of 142 countries according to Gallup 2011-2012)
- Many people at work today feel that their workplace does not able them to work productively. (Leesman, November 2014, average from over 70.000 responses from different countries)
- There is a strong relationship between perceived comfort and self-reported productivity, with differences in productivity as high as 25% reported between comfortable and uncomfortable staff. (The Impact of Office Design on Business Performance)



- Research shows that design of an office has a material impact on the health, wellbeing and productivity of its occupants (World Green Building Council)

People are expensive! It is the largest expense for any organization and what may appear as a modest improvement in employee health or productivity, can have a huge financial impact for the organization. This overall picture that I show above is pretty general, no matter what company or business area. Of course there are differences and some organizations have slightly better or worse figures, but in general we believe that every company can do a lot better! Can attract and retain more people, can save more money, can be more sustainable and have more satisfied, engaged and productive employees and overall perform better. I know that some organizations have realized this and I know that more will follow.

#### **WORKPLACE MANAGEMENT – A SINGLE FUNCTION IN COMPANIES IN THE FUTURE?**

If we look at the workplace management area generally, we see a lot of interesting things happening. Traditionally we have had a silo thinking here, but what is about to happen is that the workplace management area is becoming a more coordinated function. In for example England 25% of the Real Estate managers say that they already have seen this happen, and 40% say that they see this happen within 5 years. (Mitie, Executive Research, 2014) The common aim for the workplace function will of course be to make work better!

#### **COOR SMART OFFICE – HOLISTIC LIFECYCLE PERSPECTIVE ON WORKPLACE MANAGEMENT**

In our Smart Office model we have both a holistic and lifecycle perspective on workplace management. But what is the value of a smart office? What is the purpose? As we see it, you can use the workplace, the office, as a tool to strengthen the brand, attract and retain talented people, maximize the output from

the people, optimize the use of space and resources and of course to improve the triple bottom line – the people, the planet, the profit. Regardless you choose to use the office as a tool or not, it will still affect all these parts! So, it really is important to consciously use the office as a tool and not just let it affect these parts without purpose and strategy. This applies to all workplaces and offices regardless of what organization or business area it is. The workplace impact the business results!

Let us look at the holistics of our model. As we see it, it is always the employees who are to be supported in the office and all the parts – that say process, place, technology and services – need to be in place so that the office can fully support the employees in their work. These parts need of course always to be in line with the vision, strategies and goals of the organization. We believe that a Smart Office is:

- Centered around the people working there. What attracts and motivates them? What do they need to be able to perform at their best?
- Based on the activities that need to be performed in the office. Where and how are these activities best performed?
- A place designed for flexibility. Flexible in the way that it is accessible and used every day and it is open for changes and innovation over time.
- Enabled by technology which efficiently supports the needed ways of planning and performing work.
- Enhanced by the services provided both regarding function, convenience and experience.
- Sustainable in every possible way balancing both economical, environmental and social aspects.

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### **TREAT THE WORKPLACE AS A PROCESS – NOT A PROJECT!**

Let us now continue with the lifecycle side of our model. We are here considering the whole lifecycle of the office. Normally up to 20 years or even more. In the beginning we have a project, often lasting a few years, before moving in the new office, and the project normally ends 6 months after moving in. In most cases we could say that the office is already OLD day one when we move in, because we have not even during the project followed up the needs and adjusted the process, place, technology and services enough.

By time it just gets worse, the discrepancy between the needs in the office and the support from the office. We treat the workplace as a project instead of as a process. The needs of course vary and changes all the time and we need to continuously follow up the needs and optimize the process, place, technology and services. This should be a never ending process. A process – not a project! It is never completed, but in most cases we treat as a project. We do not do the work continuously. We just do it occasionally. The of-

fice has to be attractive, productive, cost-efficient and sustainable now and through the whole lifecycle. As integrated facility management providers, we can add substantial value in every phase of the lifecycle. For example in the beginning we can add value in the design, logistics, materials, service scope, smart solutions, lifecycle perspective and managing the whole or parts of the moving/change project. After moving in, we can of course deliver the services, but also support in the continuous follow up and optimization and adaptation of the office and make sure that the office continues to be attractive, productive, cost efficient and sustainable through the whole office lifecycle until it is time to move.

As a conclusion, we believe that it is really time to take a more holistic lifecycle perspective on workplace management in order for organizations to perform better. It will make a difference – for us, our clients and the whole FM business! Workplaces impact business results!

COOR SERVICE MANAGEMENT is the leading service provider in the Nordics, and delivers all the services necessary for a company or public organization to work well and effectively. Coor has the markets broadest-based offering and possesses specialist competence in four segments: workplace services (soft FM), property services (hard FM), industrial services and strategic advisory services. By combining different services from these service segments, Coor delivers unique, effective and flexible solutions that create value for customers. We call this smart service – service with IQ. Read more at: [www.coor.com](http://www.coor.com).

SMART OFFICE – good for people, business and the environment! Read more about Coor's Smart Office model and related Smart Solutions at: [www.smartoffice.coor.com](http://www.smartoffice.coor.com). In 2014 Coor also made it to the final in the competition "Sveriges Snyggaste Kontor". "Our office is not only good looking – it is also smart!" says Kati Barklund, Innovation Manager at Coor.