Welcome to the REAL World

REAL Disruption: The Shared Economy, The Workforce and Real Estate

Presented by Chris Hood
Meet Our Speaker

Chris Hood

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How Social, Leadership and Technology Innovations are Transforming the Workplace in the Digital Economy
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TRENDS: THE SHARED WORKFORCE

.......and where they work
What is the shared workforce?

Think of it as a **market-place**: much greater flexibility of engagement and working location for both buyers and sellers. AKA “Free Agent Nation”:

Daniel Pink

**Other considerations**
- Economic forces versus social needs
- The freelance economy
- Flexibility
- Loyalty
- Short term versus long term
- Learning new skills
- Benefits?
- Scale
- Satisfaction with the workplace situation
Where is the shared workforce visible today?

The skilled Co-Working entrepreneur

Understands his or her market: locations, life-style preferences
The mixing of personalities, work types work settings.
How to deal with people who don’t get along
The emergence of value-add services
Technology
Drivers of transformation
Within the Creative, Information and Shared Economies

- Advent of the Contract Worker
- Array of internet tools for startups shifts power toward the entrepreneur
- Boredom/inefficiency of the home office and the garage workshop
this transformation is irreversible and its influences are here to stay
TRENDS: THE SHARING ECONOMY

- The Workforce is progressively moving from a fixed tenure to a self-employed, contracted model.
- The Intuit 2020 study predicts that this will be 40% of the Workforce by 2020.
- Others think that’s conservative!
- The boom of Co-working centers provides supporting evidence of the trend.

**Graph:**
- **2005**: First co-working center introduced into the USA and has grown rapidly since.
- **2013**: 781 spaces in the USA with over 3,100 globally.
- **2018**: Expected number of centers to grow to 12,000.
- **160,000**: Memberships have risen over the same period with one million members expected by 2018.
- **50%**: Growth in one year at the Maker’s Space in Seattle.

**Sources:** DeskMap, Engagement Research.
THE GIG ECONOMY

It’s been around for a while
“The day I stepped into the building I was greeted with smiles and warm welcomes by Jenny Poon.

It's not about the building, it is about the PEOPLE.

It is a place beyond the quiet solo home office where you find energy, inspiration and collaboration”

Robin Bramman, Strategic Brand Consulting Partner
Individual self-employed contractors

Business
development,
research,
infrastructure,
admin

Organizations

External Customers

Work organizing entity

Value/Adapt
Our organization is a place containing employees doing work

NOW

Our (smaller) organization organizes work and talent

THEN

Thanks to John Boudreau, Ravin Jesuthasan and David Creelman Authors of “Lead the Work” published by Wiley 2016
NOW

Our organization is a fixed set of functions that work together to create value

THEN

Our organization is a flexible set of functions, and deciding which get done inside is the key to our success

Thanks to John Boudreau, Ravin Jesuthasan and David Creelman Authors of “Lead the Work” published by Wiley 2016
DELIVERING 80% OF THE VALUE FOR 50% OF THE COST

By eliminating busy work
The adaption of the value-driven marketplace follows the diffusion pattern of most innovations.

**Value-driven premise**
- Reward for Value not Role
- Joe/Mary Inc. – Supplier-customer
- Autonomy; work-life balance
- High trust & integrity culture
- Coached not controlled

**Mainstream Work Marketplace**

**Value Driven Demand**
- INNOVATORS
- EARLY ADAPTORS
- EARLY MAJORITY
- LATE MAJORITY
- LAGGARDS

**Value Driven Supply**
- LAGGARDS
- LATE MAJORITY
- EARLY MAJORITY
- EARLY ADAPTORS
- INNOVATORS

Years:
- 2012
- 2014
- 2015
- 2018
- 2020
<table>
<thead>
<tr>
<th>Horrible</th>
<th>Wonderful</th>
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<tbody>
<tr>
<td>Risk shifted to workers</td>
<td>Transportability: the world is my market</td>
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<td>Employers stop training</td>
<td>On-demand training</td>
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<td>Death of the career</td>
<td>Boundary-less careers</td>
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<td>Commoditization</td>
<td>Precise work-worker matching</td>
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<td>Rush to lowest cost</td>
<td>Rewards segmented to match needs</td>
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<td>Worker exploitation</td>
<td>Worker empowerment</td>
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<tr>
<td>Health care?</td>
<td>I understand my value to my client</td>
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<td>Benefits?</td>
<td>I control my own work schedule</td>
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<tr>
<td>No job security: no safety net</td>
<td>I have control over the work I do</td>
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<tr>
<td>I am a means to an end</td>
<td>I can specialize and know there will be a market</td>
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The ability to make choices is a great satisfier.
Implications for the workplace

Is this how you look after your contract workers?

........................................or this?
In 2016 Advanced Workplace Associates and the Center for Evidence-based management undertook research of the research on Productivity. They found six repetitive attributes of highly productive endeavors.

<table>
<thead>
<tr>
<th>Top six factors of productivity</th>
<th>Investments in value-based activities to support improved productivity</th>
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<tbody>
<tr>
<td>Social cohesion</td>
<td>Time, the physical environment, technologies and activities which promote social cohesion</td>
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<td>Perceived supervisory support</td>
<td>Management time and effort in building a great relationship with employees: increase motivation, building connections, encouragement, mentorship</td>
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<td>Intra-team information sharing</td>
<td>Time, technologies and physical settings to develop institutional knowledge sharing</td>
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<td>Vision and goal clarity</td>
<td>Broad and imaginative goals which extend beyond quarterly revenue/ profit targets to build sustainable and enduring success</td>
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<td>External communications outreach</td>
<td>Connections across the wider organization(s) with a view to bringing the connections, contacts and knowledge into every-day usefulness</td>
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<td>Trust</td>
<td>Create realistic expectations and experiences: horizontally between colleagues and vertically through management layers</td>
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The special skills of Co-Working entrepreneurs

How to build a community that members value

- Talking about music, food, sport, places they have visited.
- Discuss their work and often do “show and tell” exercises with other members to generate feedback and ideas.
- Lunch and learn
- Build a rhythm of work that is understood and accepted by each other

Betahaus  venturevillage.eu
Communities uncover and solve problems

Example:

Simple furniture

Life expectancy of five years

Throw out, reuse or replace as necessary at the end of the life cycle.
Many centers are returning their buildings back to their original structures as a “delighter”: less formal...less Corporate
What’s happened(ing) to office furniture?

PROCESS AND HIERARCHY → PROCESS-MINIMIZE STATUS → PLAN-ABILITY AND PAPER STORAGE

WELLNESS + COMFORT ← EFFICIENCY ← ACTIVITY-BASED

WORK IS DONE IN MANY PLACES ← CHOICE IS THE SATISFYER.........................LOOK AND FEEL........BACK TO BASICS?
Co-Working virtues

- A choice for employees
- Flexible capacity
- Reduced Corporate carbon footprint
- Better connected to external ideas
- Local solutions
- Highly engaged employees
- Part time solution
- Inspired off-campus teamwork
- Highly engaged employees
- Local solutions
Co-Working lessons for the Corporate Campus

- The employee experience
- Active management of the workplace
- What really makes a “great workplace”
- Better connect employees across BUs
- Fun
- Simple, affordable technology
- Providing choice
- Flexibility
What can Co-Working centers learn from CRE?

Ergonomics
Health + Wellness
Buying power
Industry organizations
Business planning
Energy efficiency
Sustainability
What is Class A space
The traditional view

The most expensive
Grade A tenants
The best space
Marble lobby
High quality finishes
LEED certified
High Security
Accessed by car
Large, Multi-story
What is Class A space
A contemporary view

Accessible by public transport
A welcome at the front door
Provides choices of where to work
Great social spaces
Human scale
Secure
A new financing model
Health + Wellness designed
LEED +
It’s all about people

Knoll - A New Work Movement: Personal Stories - Wesley Verhoeve
Amazing ideas catch on fast!

Airbnb amassed more rooms in 5 years (650,000) than Hilton has built in its entire 93 year history.
A Vision of the Work Marketplace by 2025

- Work will be managed as services where providers serve customers and exchange value
- Clearly a proven benefit to *both* organizations (buyers) and individuals (sellers)
- 80% of the Fortune 500 have adopted a work marketplace model
- The shared workforce (all forms of workers) is the norm
- The effective use of talent is a strategic imperative
- Primary driver: Value; Adaptability; and Speed
- 4% Productivity – Individuals & Organizations
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<th>Month</th>
<th>Topic</th>
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<tbody>
<tr>
<td>April</td>
<td>FASB</td>
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<td>May</td>
<td>Crafting C-Suite Alliances for Real Estate Leverage</td>
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<tr>
<td>June</td>
<td>Driving Real Estate Decisions and Conversations using Data</td>
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<tr>
<td>July</td>
<td>Stories of Urban Transformation: The Rise of 18-Hour Work/Live Communities</td>
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<tr>
<td>August</td>
<td>Optimizing Your Real Estate Portfolio – Case Studies</td>
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<td>September</td>
<td>REAL Annual Update and WWP Events</td>
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Facility Fusion

REAL Tracks at both events!

Las Vegas sessions:
- Data Management Requirements for FASB and IFRS
- Crafting Alliances: Rethinking Our Approach to Enabling Better CEO Decisions in Place and Technology
- What the Heck is a Chartered Surveyor, and Why Should You Care?
- A Great Marriage: Process Improvement and Technology for Superior Results on Construction Projects

Toronto sessions:
- Real Estate: What’s Hot and What’s Not – Current & Future Perspectives from North America and Across the Globe
- Crafting Alliances: Rethinking Our Approach to Enabling Better CEO Decisions in Place and Technology
- Real Estate 2030: A Workshop in Transformative Future Thinking for the Profession
- The Real Estate Paradox: Options and Investments
Your community needs you!

Please lend a hand and a voice to help our community become a more valuable resource for IFMA’s membership.

Please email me at davidkarpoon@hotmail.com if you would like to serve on one of these committees:

- Webinars
- Marketing and Communications
- Events and Hospitality
- Education and Research
- Membership