Thriving Through Best-in-Class Workspaces

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Tables Have Turned; the Workplace Is Adapting

IMPACT OF GLOBAL REDUNDANCIES

In 2023, global technology providers have announced record-breaking job cuts. Examples include Alphabet (Google) cutting 6% of its workforce, Microsoft, 5%, Salesforce, 10%, and Zoom, 15%.

Source: Announcements in 2023 from Alphabet, Microsoft, Salesforce, and Zoom

EMPLOYERS BACK IN POWER

Only one in five employees are actively seeking a new job — in contrast to 2022, when one in three were actively looking for a new position.

The balance of power has shifted back in favour of employers.

Source: IDC's *Future of Work Employee Experience Survey*, March 2023

EMPLOYEES SHOW RISK-ADVERSE CULTURE

Almost half of employees are happy in their current positions.

A quarter say it is financially sensible to stay in their jobs, given the current economic climate.

Source: *Future of Work Employee Experience Survey*, conducted in March 2023

FROM COST TO INVESTMENT

After years of low attendance, attitudes to the workplace are shifting again. It is not seen only as cost but increasingly as an investment in the future of the organization.

Source: Interviews conducted by IDC as part of this research
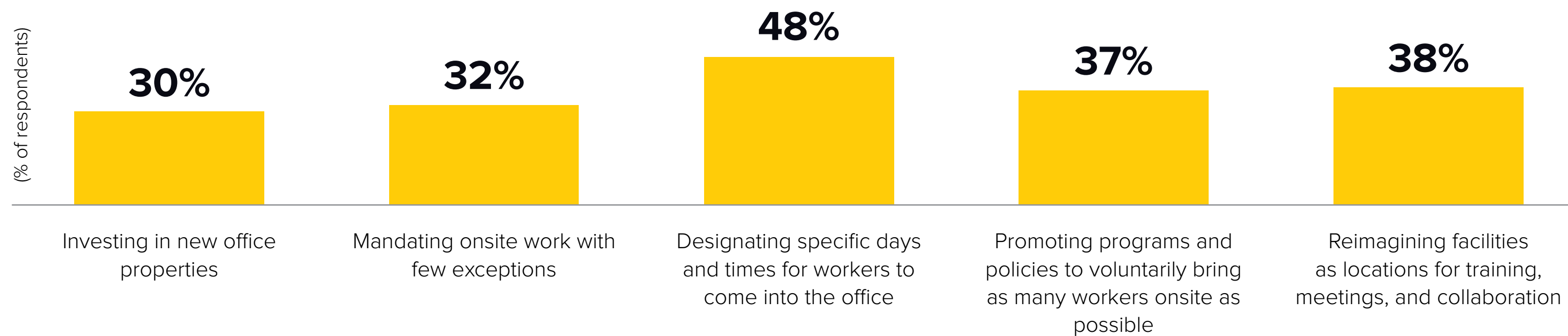
WORK (PLACE) IN PROGRESS

Since the beginning of 2022, most organizations have made changes to their workplaces to adapt to shifting requirements.

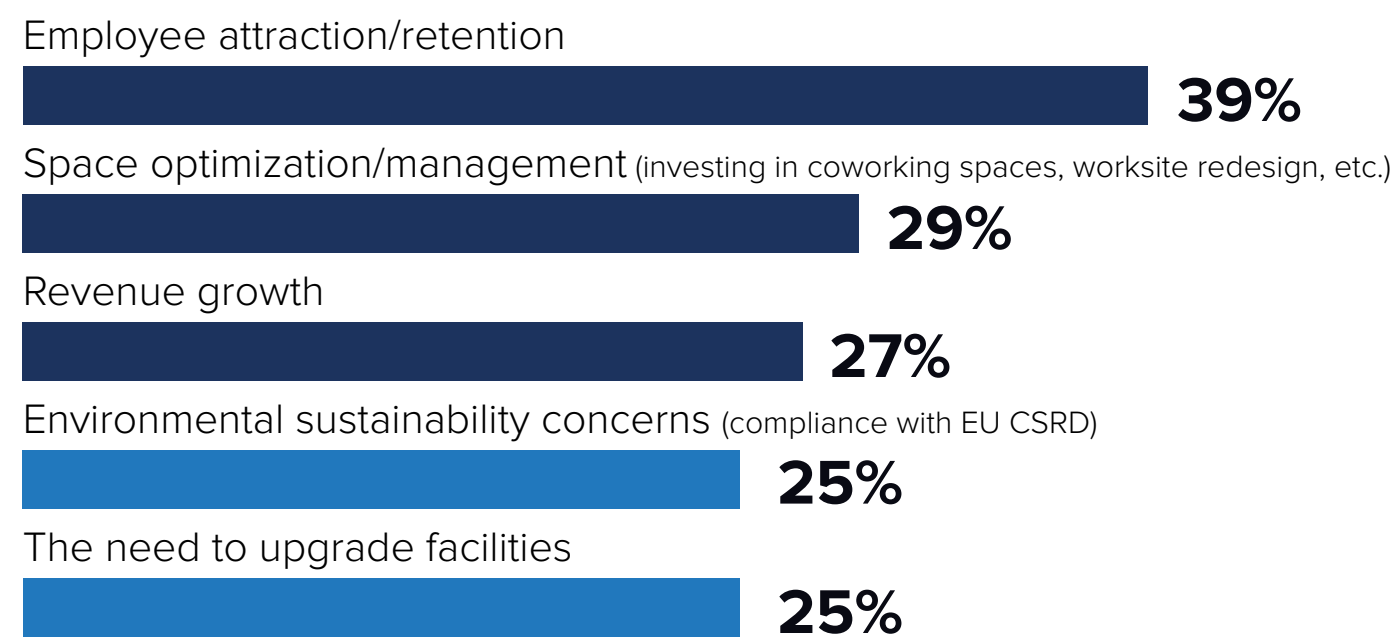Approximately half have either upsized or have redesigned with the same amount of space.

Source: IDC's *Future of Work Survey*, March 2023
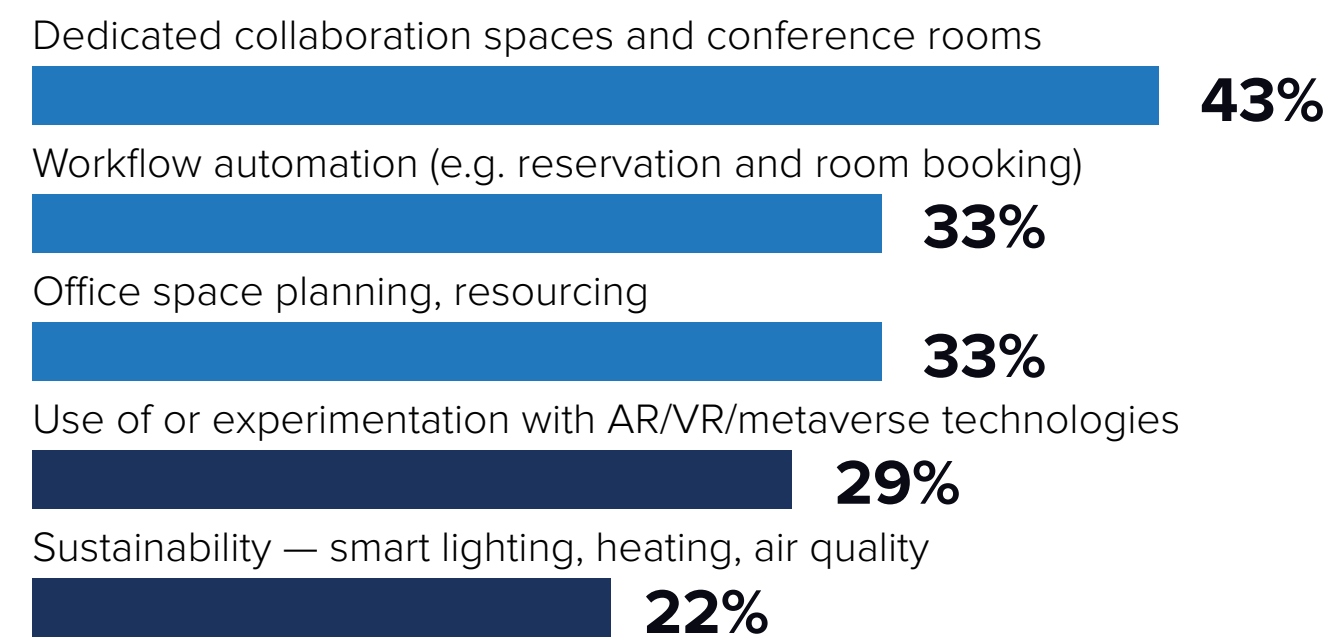
The Workplace Is Again the Place to Work

Q. What is your organization doing to promote and support onsite work?

(% of respondents)

30%	32%	48%	37%	38%
Investing in new office properties	Mandating onsite work with few exceptions	Designating specific days and times for workers to come into the office	Promoting programs and policies to voluntarily bring as many workers onsite as possible	Reimagining facilities as locations for training, meetings, and collaboration

Q. Which of the following are the three top business drivers for your organization's work site redesign initiatives?

Employee attraction/retention
39%

Space optimization/management (investing in coworking spaces, worksite redesign, etc.)
29%

Revenue growth
27%

Environmental sustainability concerns (compliance with EU CSRD)
25%

The need to upgrade facilities
25%

Q. What three approaches will your organization prioritize the most in redesigning work facilities in the next 18 months?

Dedicated collaboration spaces and conference rooms
43%

Workflow automation (e.g. reservation and room booking)
33%

Office space planning, resourcing
33%

Use of or experimentation with AR/VR/metaverse technologies
29%

Sustainability — smart lighting, heating, air quality
22%

Leaders are promoting onsite work.

Most employers are taking a balanced approach to getting people back in the office. Smart facilities will play a crucial role in each organization's future-of-work initiatives. Employee attraction/retention is the number-one business driver for worksite redesign initiatives.
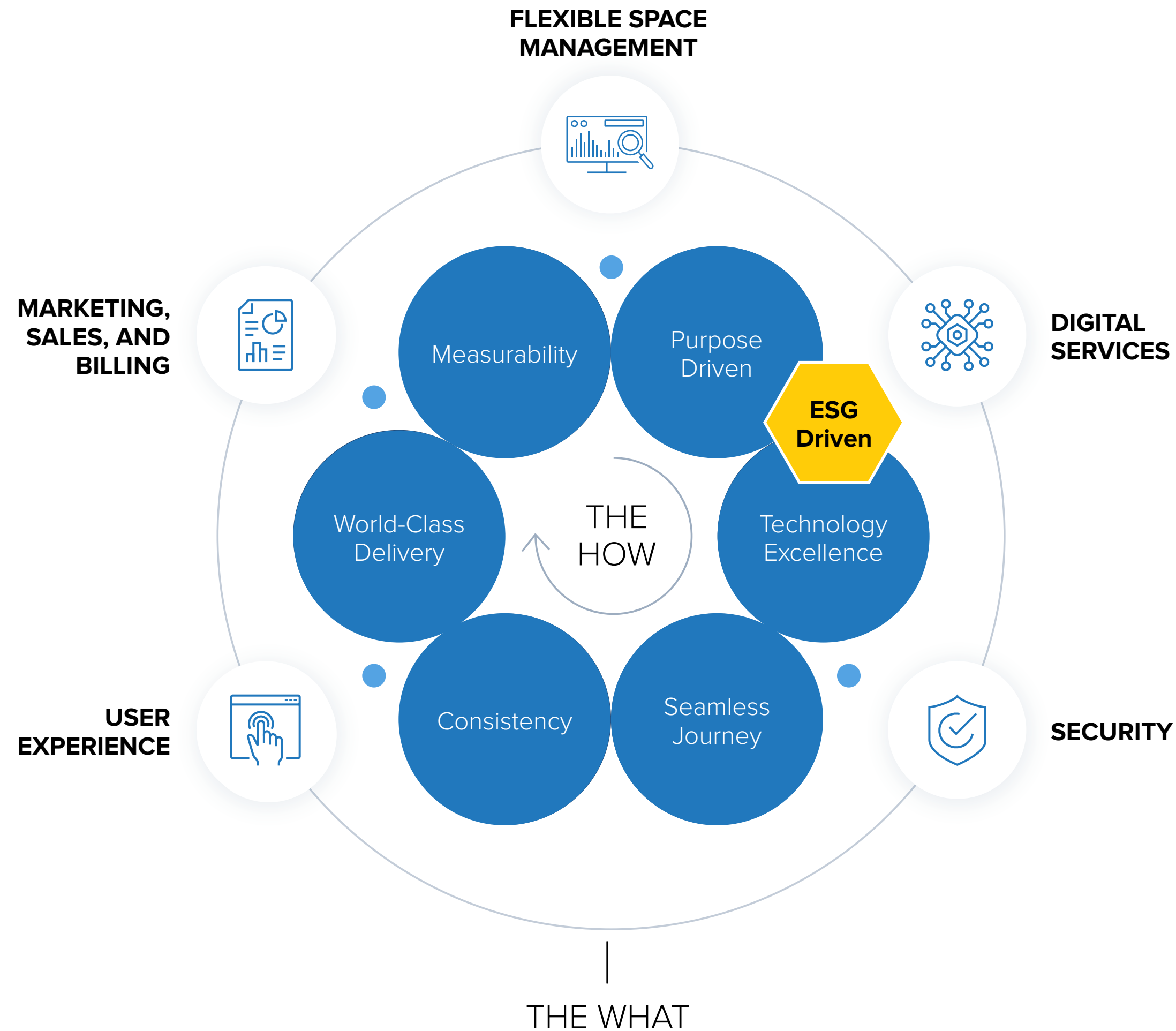
Topline growth is driving the focus on workplace redesign.

The workplace is again seen as a strategic asset in achieving corporate goals.

Organizations are heavily relying on automation, collaboration, and space-planning technologies.

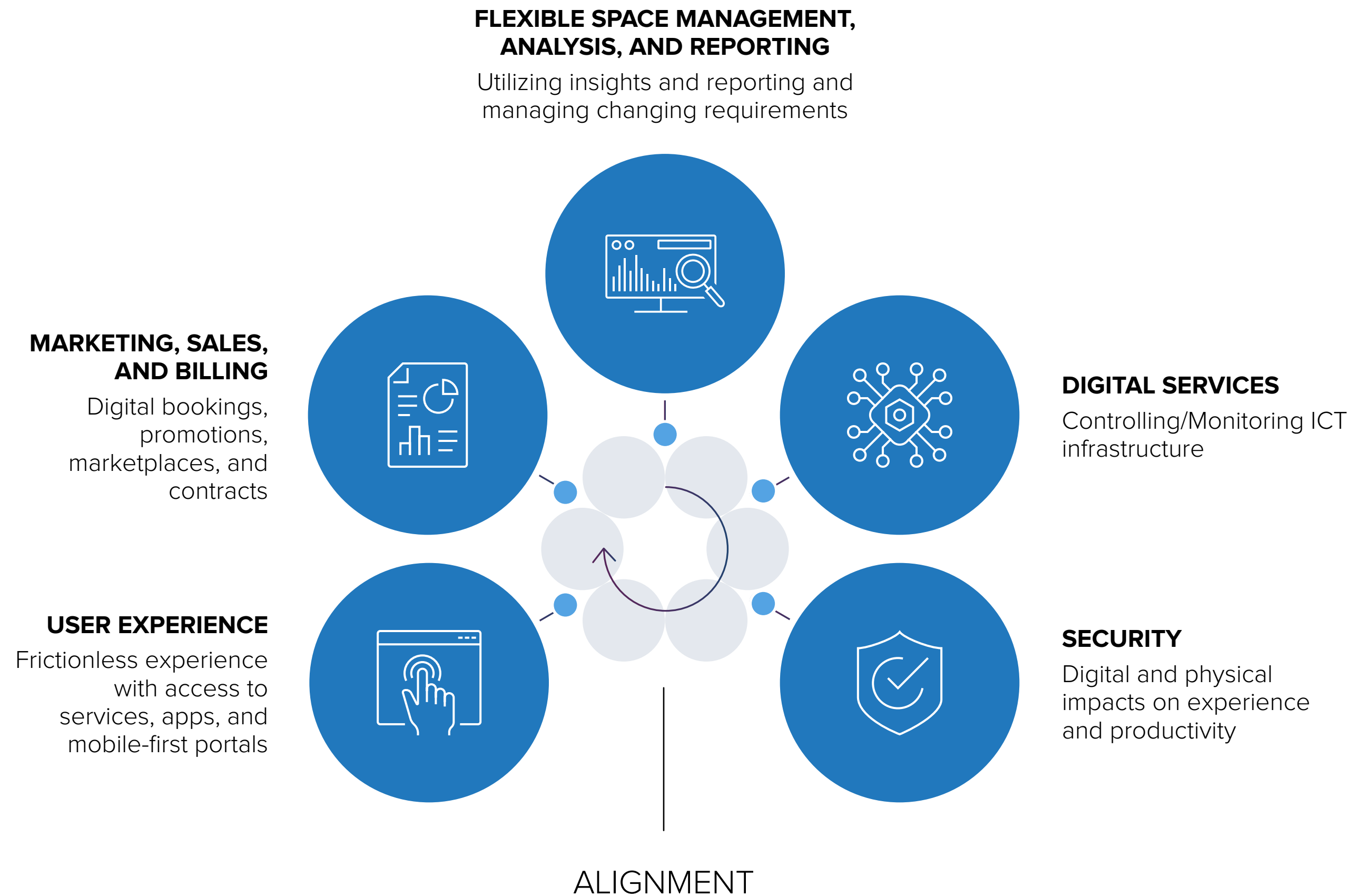The focus remains on designing a frictionless user journey that can be measured at all times.

The Building Blocks of a Best-in-Class Workspace

FLEXIBLE SPACE
MANAGEMENT

MARKETING,
SALES, AND
BILLING

Measurability

Purpose
Driven

ESG
Driven

DIGITAL
SERVICES

World-Class
Delivery

THE
HOW

Technology
Excellence

USER
EXPERIENCE

Consistency

Seamless
Journey

SECURITY

THE WHAT

Across the five areas of evaluation, IDC's Best-in-Class Workspace Framework has identified six common building blocks to enable organizations to create best-in-class workplaces.

In 2023, based on ongoing conversations with workplace managers, IDC has revised its Framework, adding an ESG element. In best-in-class workplaces, all the main components align with the corporate ESG road map.

IDC Creates a Best-in-Class Workspace Framework

FLEXIBLE SPACE MANAGEMENT, ANALYSIS, AND REPORTING
Utilizing insights and reporting and managing changing requirements

MARKETING, SALES, AND BILLING
Digital bookings, promotions, marketplaces, and contracts

DIGITAL SERVICES
Controlling/Monitoring ICT infrastructure

USER EXPERIENCE
Frictionless experience with access to services, apps, and mobile-first portals

SECURITY
Digital and physical impacts on experience and productivity

ALIGNMENT

IDC conducted a series of qualitative interviews with high-profile flexible-office operators and end-user organizations. The interviewed companies represent over 2 million square feet of flexible space around the globe.

Based on direct feedback from organizations and flexible-space providers, IDC created a vision of a best-in-class future-proof office. This was used to create a best-in-class framework. The framework defines the elements that enable hybrid work and accommodate the changing needs of employees, management, and space providers.

Thriving Organizations Demand Consistent Experiences

CONSISTENT USER EXPERIENCE (UX) ACROSS BUILDINGS

CONSISTENT UX
ACROSS SPACES

NEW YORK

LONDON

TOKYO

CHALLENGES
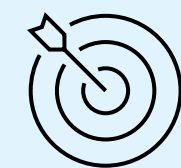
○ As the workplace regains its role as a central work hub, many office redesigns are under way. As they rethink workspaces, global organizations and flexible space providers are struggling to deliver consistent UX, IT infrastructure, security, workplace services, etc., across all locations, worldwide, which would contribute to a cohesive organization with a strong corporate identity.

BEST IN CLASS

○ Thriving organizations and flexible space providers deliver consistent experiences that maintain a positive company image **across different workspaces (lobby, desk, roof gardens, etc.), buildings, and locations around the world**.

○ Best in class can go beyond delivering consistently personalized experiences, with each persona being offered a purposeful user journey.

Workplaces with Multiple Purposes Require Multiple Designs, But Are You Ready to Provide These?

In your opinion, what should an office redesign focus on in terms of office layout?

48% FOCUSING

38% TRAINING & KNOWLEDGE SHARING

37% TEAM COLLABORATION

35% SOCIAL INTERACTION

19% CLIENT INTERACTION
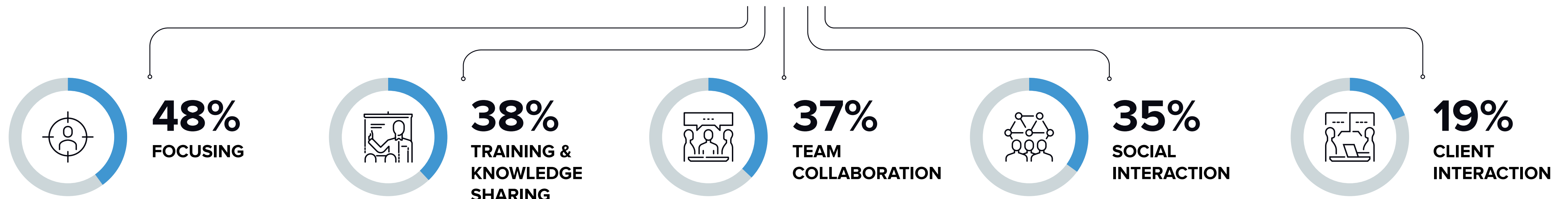
CHALLENGES

- Nowadays, focused work, training, and team collaboration are almost equally important workplace areas.

- Workplace users increasingly head to the office now with specific purposes in mind and demand areas allocated to those purposes.

BEST IN CLASS

- Best-in-class workplace providers successfully allocate areas of offices to specific activities (collaboration, focus, events, etc.) and therefore provide specific services (IT infrastructure, collaboration tools, catering, etc.).

- To optimize space, the purposes of modular areas can be easily switched and adapted to the requirements of the business.

- Technology is a key enabler in repurposing workspaces and efficiently promoting them. It supports initiatives to engage users and guide them through different areas.

Thriving Organizations Demand Seamless Journeys Across Workspaces

Seamless transition from home to office to being on the move with mirrored physical and digital environments across all workspaces

Corporate office
MONDAY

Corporate office
Wednesday

Stationary

Home office
FRIDAY

A TYPICAL WORK WEEK

Client meeting
TUESDAY

Third space
THURSDAY

Mobile
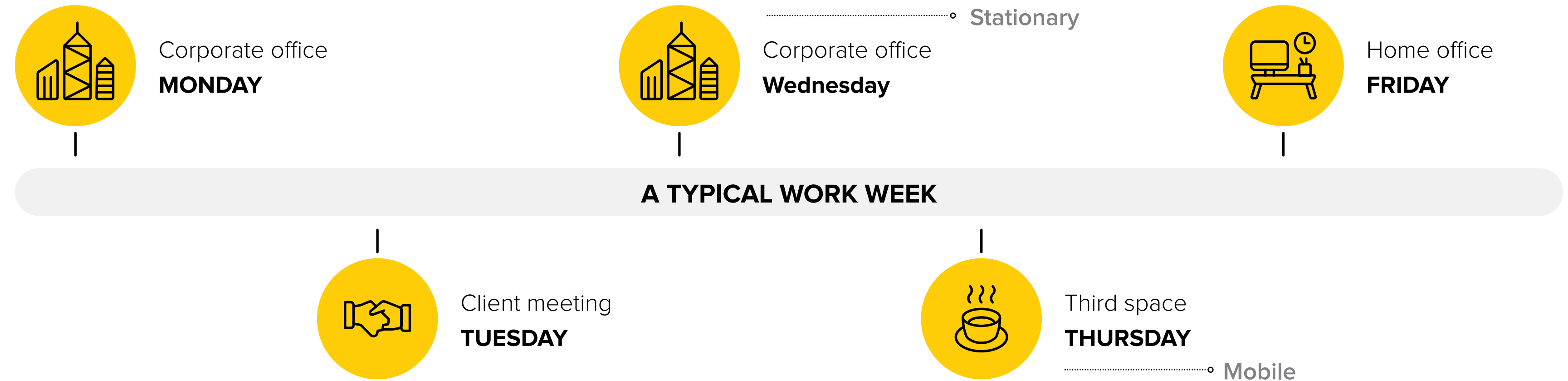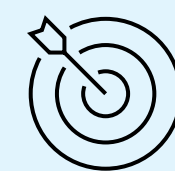
CHALLENGES

- One of the key challenges for hybrid work is enabling the online and offline worlds to seamlessly merge to make work truly location agnostic.

- As an example, organizations are increasingly holding meetings in which some of the attendees are physically present and others log in remotely. Typically, the latter group participates less and tends to have less weight in the discussions.

- Hybrid meetings with onsite and offsite employees require solutions that ensure parity and inclusivity of all participants, equal ease of access to the presented materials, and equal opportunity for active meeting participation.

BEST IN CLASS

- Best-in-class workplaces leverage cutting edge technology to facilitate location-agnostic work.

- For instance, they provide professional dedicated meeting-room technology that facilitates hybrid collaboration and meeting room equity.

- Best-in-class workplaces provide both onsite and offsite users with the same ability to access all workplace services through integrated digital tools.

Thriving Organizations Require Best-in-Class Delivery of Services

- Mindfulness
- Parking
- Fitness
- Food delivery
- Digital services
- Training
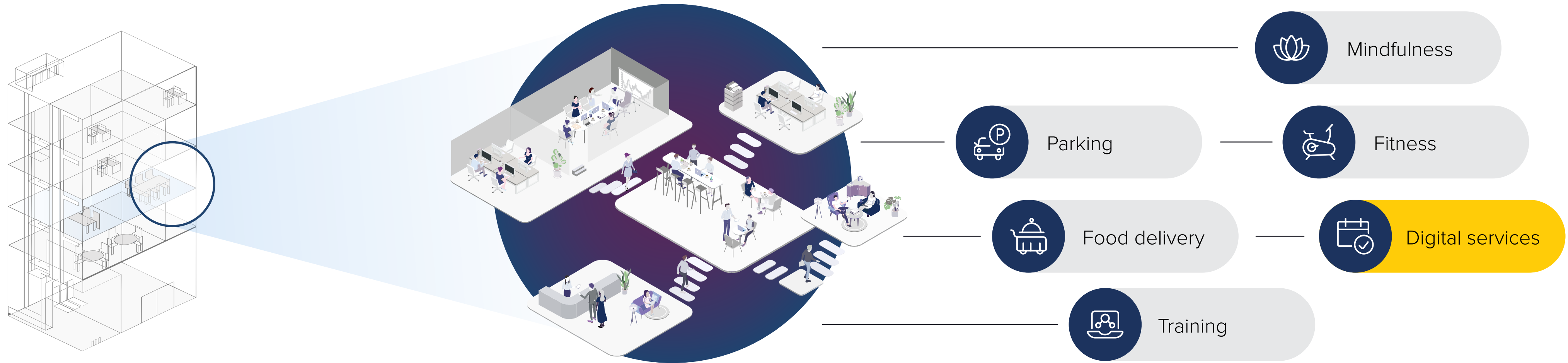
CHALLENGES
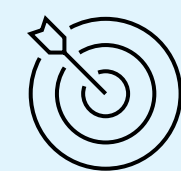
- IDC's Best Practice research has revealed that, in many cases, additional workplace services (previously seen as marginal) are key aspects in encouraging users to return to the office and in facilitating the resumption of office-based operations. Examples include free Friday lunch services, nursery school services, and free parking.

- Workplace managers and flexible space providers need to provide a comprehensive selection of services and deliver them frictionlessly.

BEST IN CLASS

- Thriving organizations design customer journeys using a unified application/intranet, providing direct access to all services and benefits, along with directions and guidelines on, for example, health and safety measures.

- Best-in-class approaches go beyond off-the-shelf integrations, utilizing open APIs to integrate any software or service to create a seamless experience, efficient workflows, and better automation.

- Next-level employee experience brings together multiple best-in-breed services and offers personalised suggestions based on employee profiles.

Thriving Organizations Require Measurability and Real-Time Monitoring

Real-time occupancy

Temperature

Network access points

Bookings

CO_2 sensors

Other data

Analytics

essensys Aldgate Tower

1

2

3

Actionable insights

Dashboards

CHALLENGES
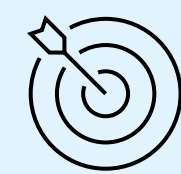
- Workplace habits are changing rapidly. Even with an imposed minimum number of days in the office, attendance can vary by day of the week and time. As such, it is difficult to plan and design the workplace.

- Workplace managers and flexible space providers require monitoring tools to understand how needs are changing regarding, for example, occupancy, task types performed, bookings, actionable intelligence, and predictive data analytics — and all this while preserving employee privacy.

BEST IN CLASS

- Best-in-class workspaces leverage a digital infrastructure layer to inform workplace decision-making in real time.

- Occupancy tracking systems enable to better understand users by analyzing their journeys through spaces. Advanced integrated systems correlate data from multiple relevant sources to identify usage data patterns and anticipate upcoming constraints with a proactive approach.

Thriving Organizations Want to Align Their Workplaces with Their ESG Road Maps
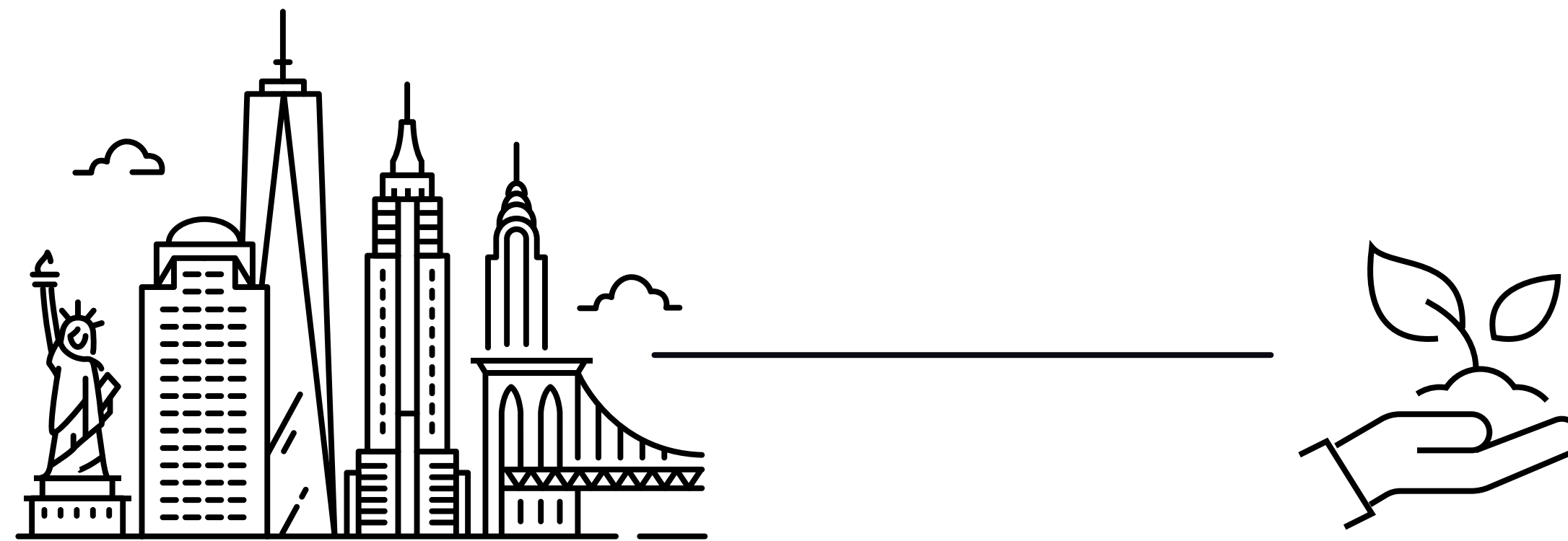
CHALLENGES

- Most large organizations already have an ESG road map in place, with clear objectives for the coming years, such as achieving net-zero emissions by 2050.

- The workplace, however, is often overlooked and not considered in the mix of elements that contribute to ESG practices.

BEST IN CLASS

- In best-in-class approaches, all providers need to be aligned with ESG road maps. **For flexible space providers, having visibility into data and then making the relevant information accessible to their tenants are key.**

- **Technology can support ESG ambitions in multiple ways.** By measuring all aspects of the workplace, thriving organizations and flexible space providers can ensure alignment with ESG road maps.
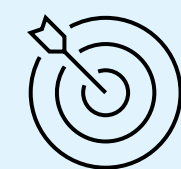
Thriving Organizations Require Technology Excellence

The most advanced brands, which invested in hybrid early on, focus on technology that enables spaces in which people can collaborate effectively.

(CMO, flexible workspace provider)

CHALLENGES

- Technology excellence remains of the utmost importance and is a key enabler of seamless journeys; it supports a purpose driven and ESG driven approach, measurability, consistency and perfect delivery.

- For instance, through employee apps, intranet, digital signage, collaboration platforms, and other interfaces, workplace managers and flexible space operators can attract users back, increase employee engagement, attract and retain talent, foster corporate culture, increase productivity, and optimize costs.

- But finding the right balance between security, compliance, and usability remains a key challenge.
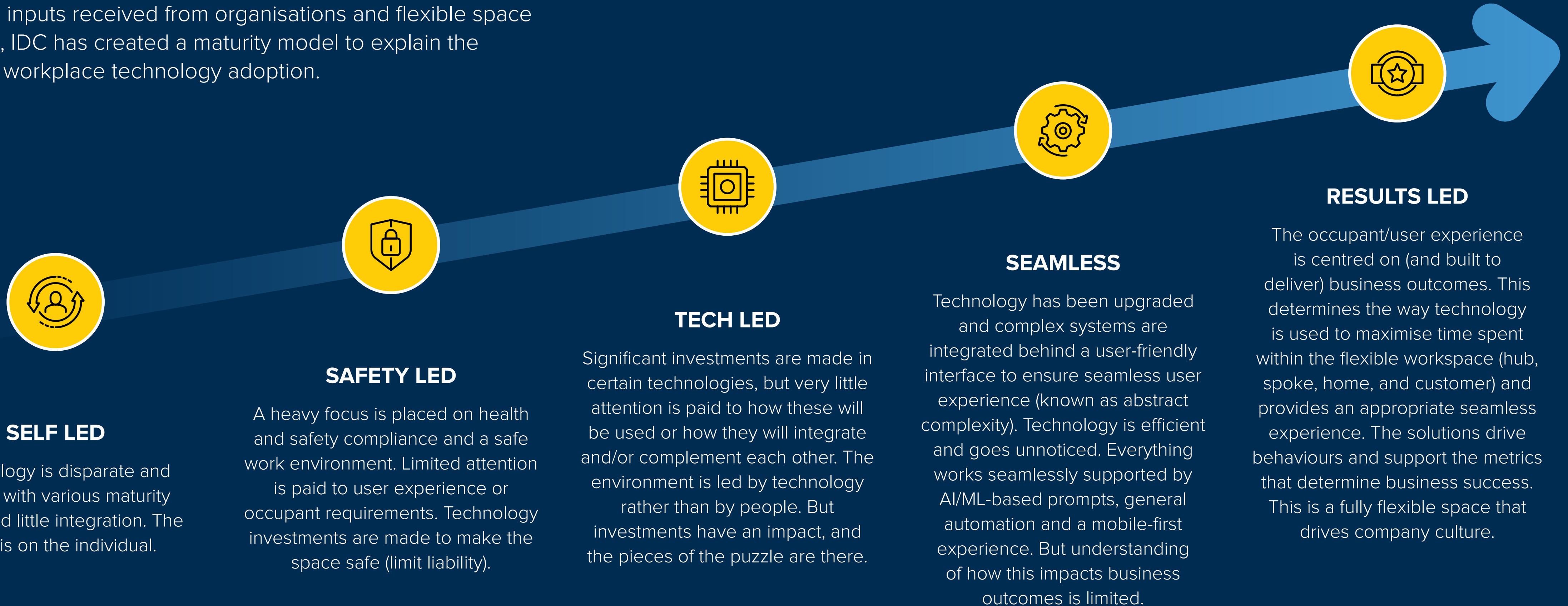
BEST IN CLASS

- Best-in-class approaches include designing technology roadmaps that perfectly align with overall corporate goals.

- Best-in-class organisations and flexible space providers aim for holistic technology strategies that securely integrate all aspects of the workplace, enable frictionless accessibility, and provide a mobile-first approach.

Technology Maturity Model

Based on inputs received from organisations and flexible space providers, IDC has created a maturity model to explain the stages of workplace technology adoption.

RESULTS LED

The occupant/user experience is centred on (and built to deliver) business outcomes. This determines the way technology is used to maximise time spent within the flexible workspace (hub, spoke, home, and customer) and provides an appropriate seamless experience. The solutions drive behaviours and support the metrics that determine business success. This is a fully flexible space that drives company culture.

SEAMLESS

Technology has been upgraded and complex systems are integrated behind a user-friendly interface to ensure seamless user experience (known as abstract complexity). Technology is efficient and goes unnoticed. Everything works seamlessly supported by AI/ML-based prompts, general automation and a mobile-first experience. But understanding of how this impacts business outcomes is limited.

TECH LED

Significant investments are made in certain technologies, but very little attention is paid to how these will be used or how they will integrate and/or complement each other. The environment is led by technology rather than by people. But investments have an impact, and the pieces of the puzzle are there.

SAFETY LED

A heavy focus is placed on health and safety compliance and a safe work environment. Limited attention is paid to user experience or occupant requirements. Technology investments are made to make the space safe (limit liability).

SELF LED

Technology is disparate and legacy, with various maturity levels and little integration. The onus is on the individual.

Essential Guidance

Assess your workspace portfolio, and understand where you are in the maturity model. Determine what changes are needed in your building blocks to deliver your desired business outcomes.

1

Alignment is key. Design a holistic and integrated technology road map to achieve a best-in-class workspace. Avoid isolated investments. Consider all building blocks together and how they support your workspace deployment strategy.

2

Investment in technology is crucial for maximising productivity and employee satisfaction. This includes technological parity across core work environments and seamless experiences for all parties.

3

User experience is paramount to ensuring workspace transformation success. The workspace needs to frictionlessly adapt to each employee's purpose.

4

Workspace transformation is a journey, not a destination. Constant monitoring, adaptation, and real-time optimization are central to achieving and maintaining a best-in-class workspace.

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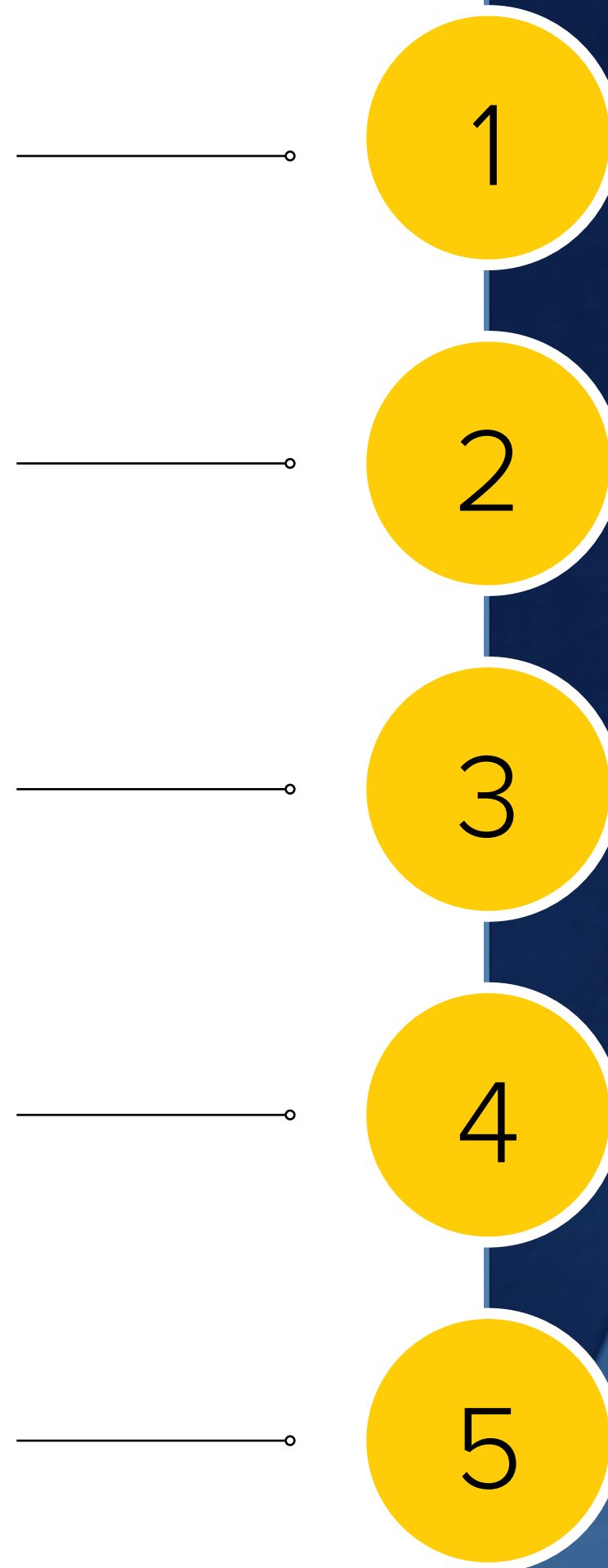
Message from the Sponsor

essensys provides software & technology that help landlords and flexible space operators deliver best-in-class workspaces. Since being founded in 2006, we've been helping the world's leading CRE brands operate efficiently and deliver innovative experiences across their portfolios. Our products are designed to:

- Automate tasks and remove the complexity involved in operating flexible, dynamic spaces

- Deliver better occupier journeys across entire portfolios

- Manage & monitor digital experiences at scale

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International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets.

With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight help IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives.

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