

Euro FM Conference – Copenhagen, 12-14 May, 2004

DISTRIBUTED WORK IN THE NETWORKED CITY **Establishing an Appropriate Real Estate Strategy**



John Worthington

Founder, DEGW plc

Graham Willis Professorship, University of Sheffield

Visiting Professor, Chalmers University of Technology, Göteborg

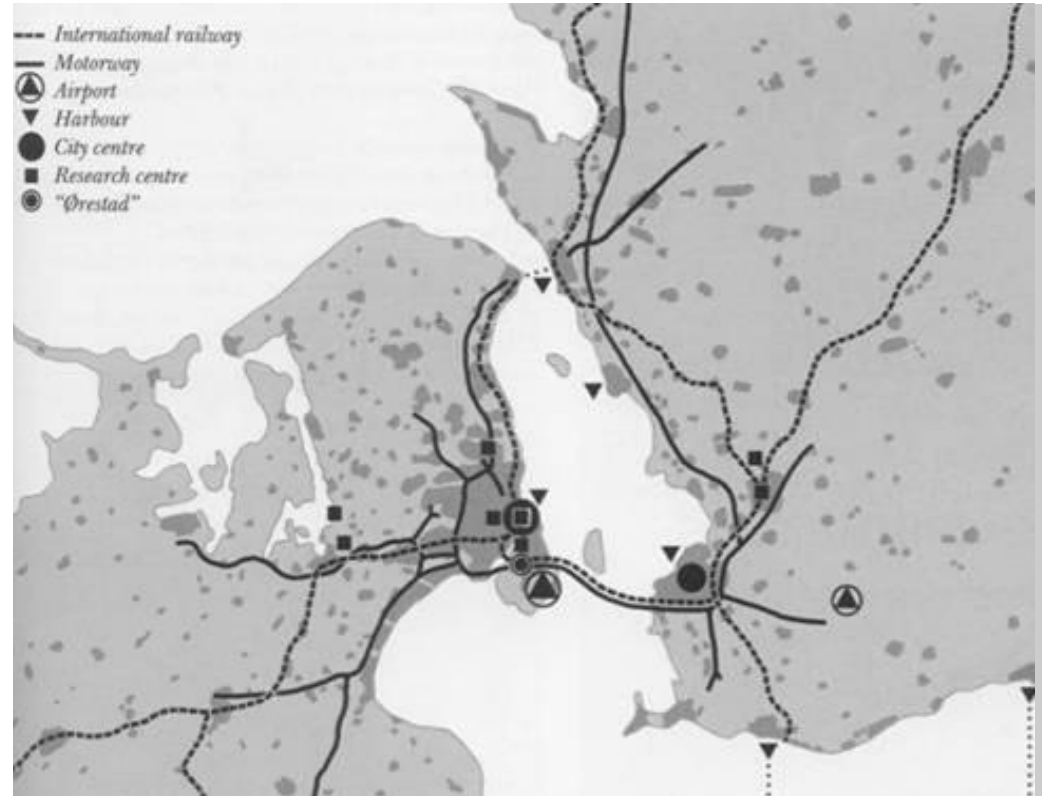
www.degw.com

DEGW Amsterdam - Boston - Chicago - Glasgow - Hong Kong - London - Madrid - Melbourne - Milan - New York - Paris - Rome - Sydney

Cities are changing - from centres to networked conurbations



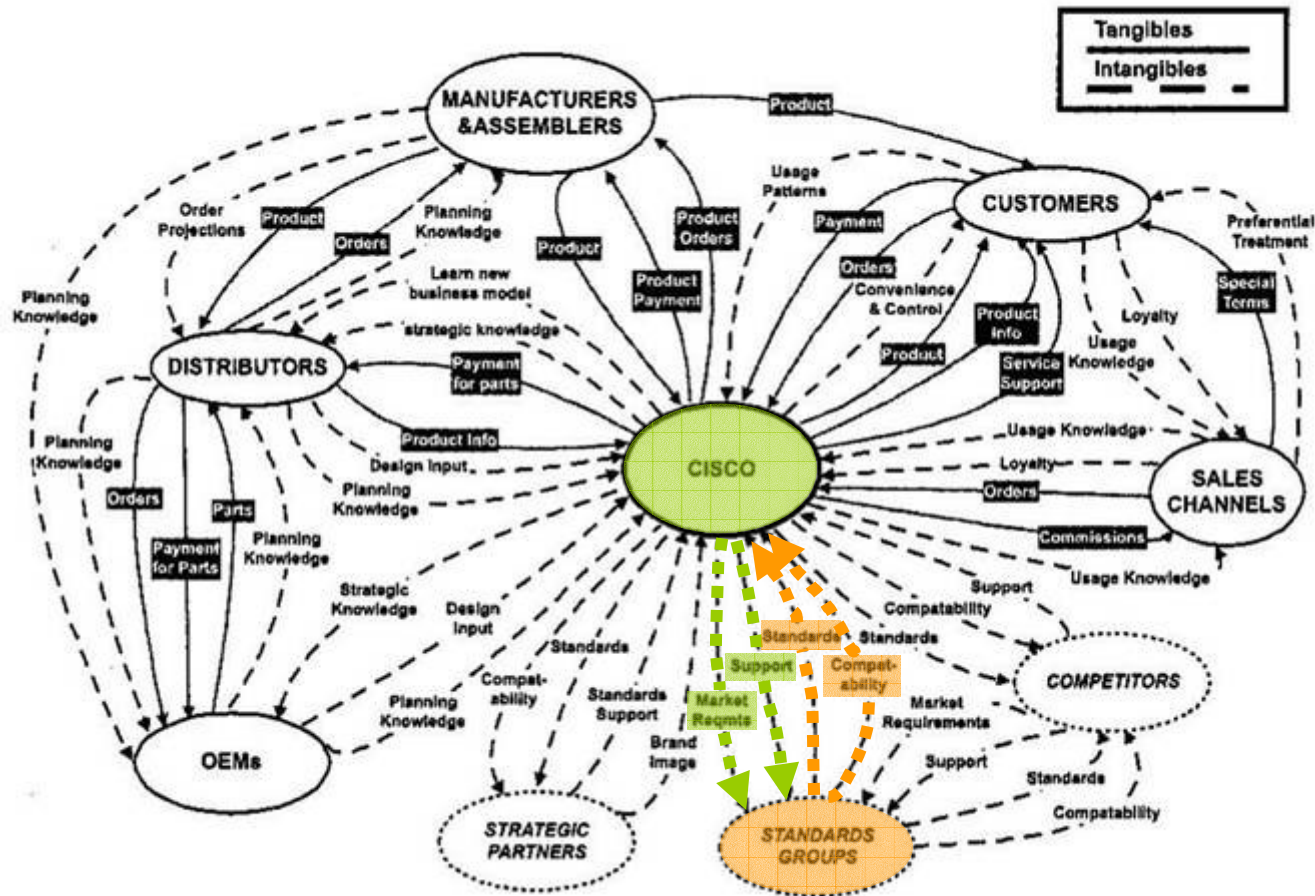
COPENHAGEN half million population
Single focus



ORESUND 3.5 million population
Multi centred across political boundaries

Paradox of Centrality and Dispersal
'New Paradigm of high density land use and low density city'

Similarly Organisations are Networks of Direct and Indirect Relationships



Cisco's value network includes competitors, strategic partners and standards groups, all with whom the company never exchanges money or tangible goods. Cisco estimates that its intangible exchanges outnumber tangible exchanges by two to one

Shifting from Brawn to Brain Power

- Value of product shifted from hardware to software
- Added value through innovation, service and support
- Blurring of functions between manufacturing and office
- Product value spans across national boundaries
- Locational imperatives changed by new technologies



MINIATURIZATION = BRAND OFFER
Products have shrunk in size, increased in value

Changing Expectations - in the way we work & use space

New 'Flexible' Ways of Working

- Open, flexible, collaborative
- Non hierarchical, professional
- Response to silo thinking

Manage Space and Time to Allow for

- Parallel working
- Shared use of space
- Variety of settings
- Overlap of functions



Increased use of distributed, shared workplaces

Move from fixed to variable costs

Information Technology allows for Virtual and Physical Space

The Space Environment Model

VIRTUAL



e.g. IM, project extranets, video conference



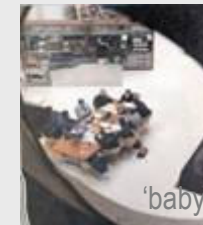
public chat rooms, information sources



PHYSICAL



BBC Pilot Projects, London
DEGW Strategic Briefing & Design



Bryant Park New York



©DEGW 2002

Virtual Reality – Both Shrinks and Expands the Experience



**Sega World transforms
Blackpool Big Dipper into
10 m² of space**



**The Football World Cup –
A global and local experience**

The Distributed Workplace – Managing Space, Time and Location

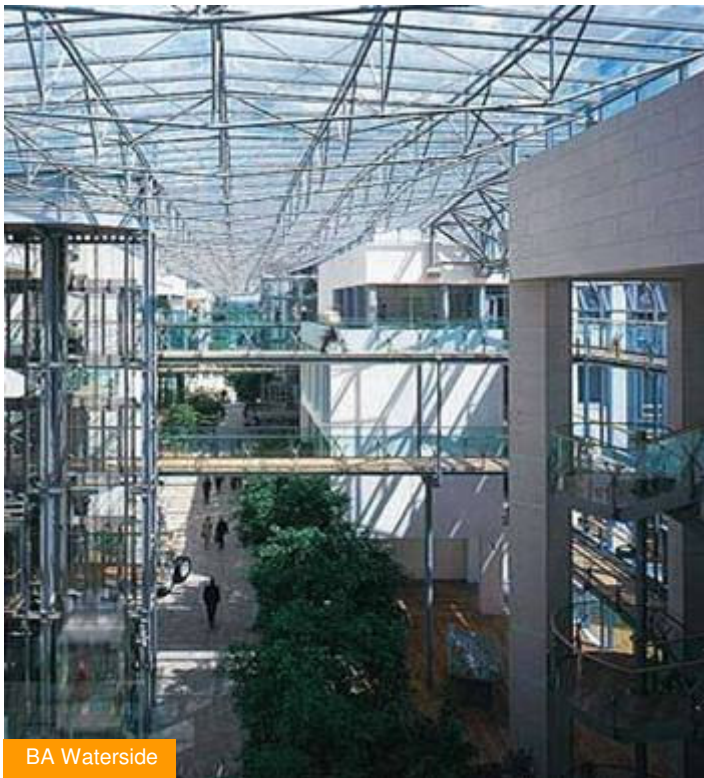
'office is the city'

*single location,
owned space*

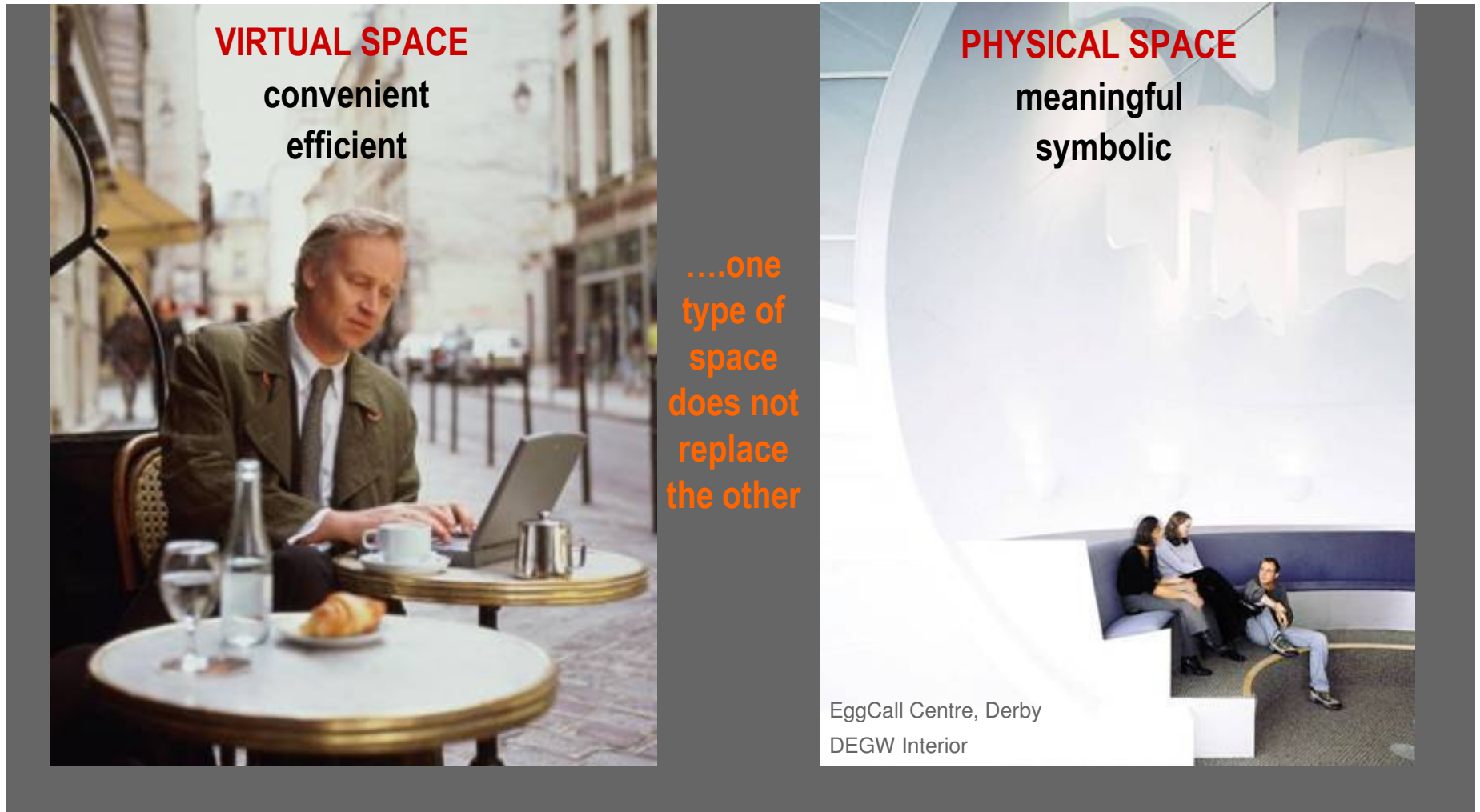


'city is the

office'
*multiple locations,
shared spaces*



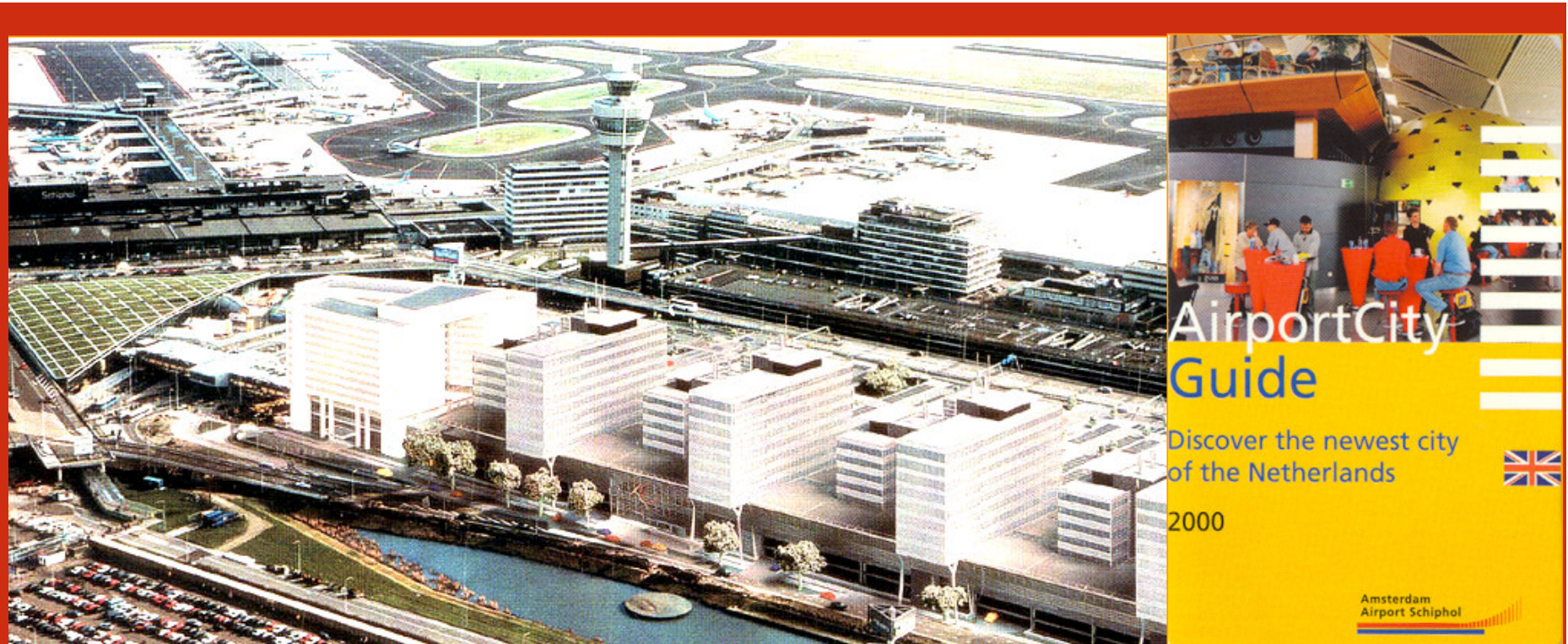
Virtual and Physical Spaces are Complimentary



Whatever the interface you are always physically located somewhere

Emerging Nodes

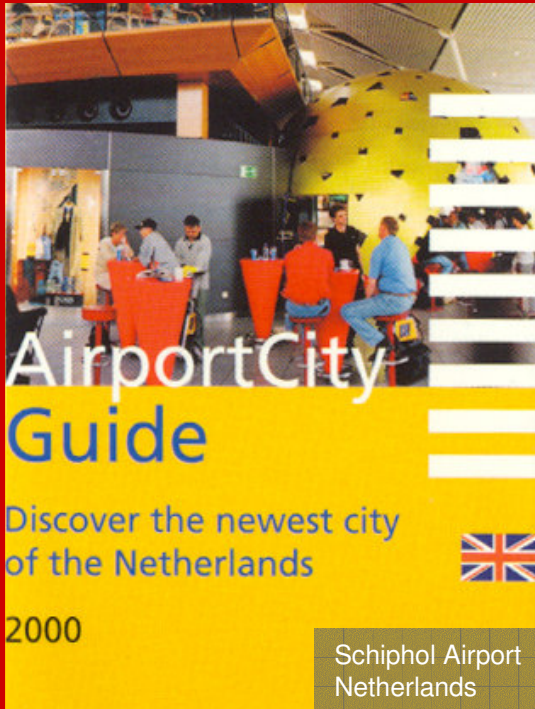
SCHIPHOL AIRPORT



- 39.6 million Passengers per annum
- 54,000 jobs
- Rail and road connections
- Destination in its own right

DEGW Amsterdam - Boston - Chicago - Glasgow - Hong Kong - London - Madrid - Melbourne - Milan - New York - Paris - Rome - Sydney

Boundaries are Overlapping



Destination in its own right

- 40 million Passengers per annum
- 54,000 jobs



Public Private Ventures

- Property Owners \$6 million per annum
- Grants \$1 million per annum

**Governance, ownership and use of space is ambiguous
The public realm is being eroded**

Challenge to Manage Overlap of Public and Private Space



Source : Quai D'Orsay - Paris



Source : easy.com

PUBLIC

- Overlapping Functions
- Organic
- Heterogeneous - Diverse
- Dominant culture

SEMI PUBLIC

- "Functionalised"
- Branded
- Homogenous
- Themed

PRIVILEGED

- Discrete
- Branded
- Selective
- Controlled

Authenticity and Reality are in Question



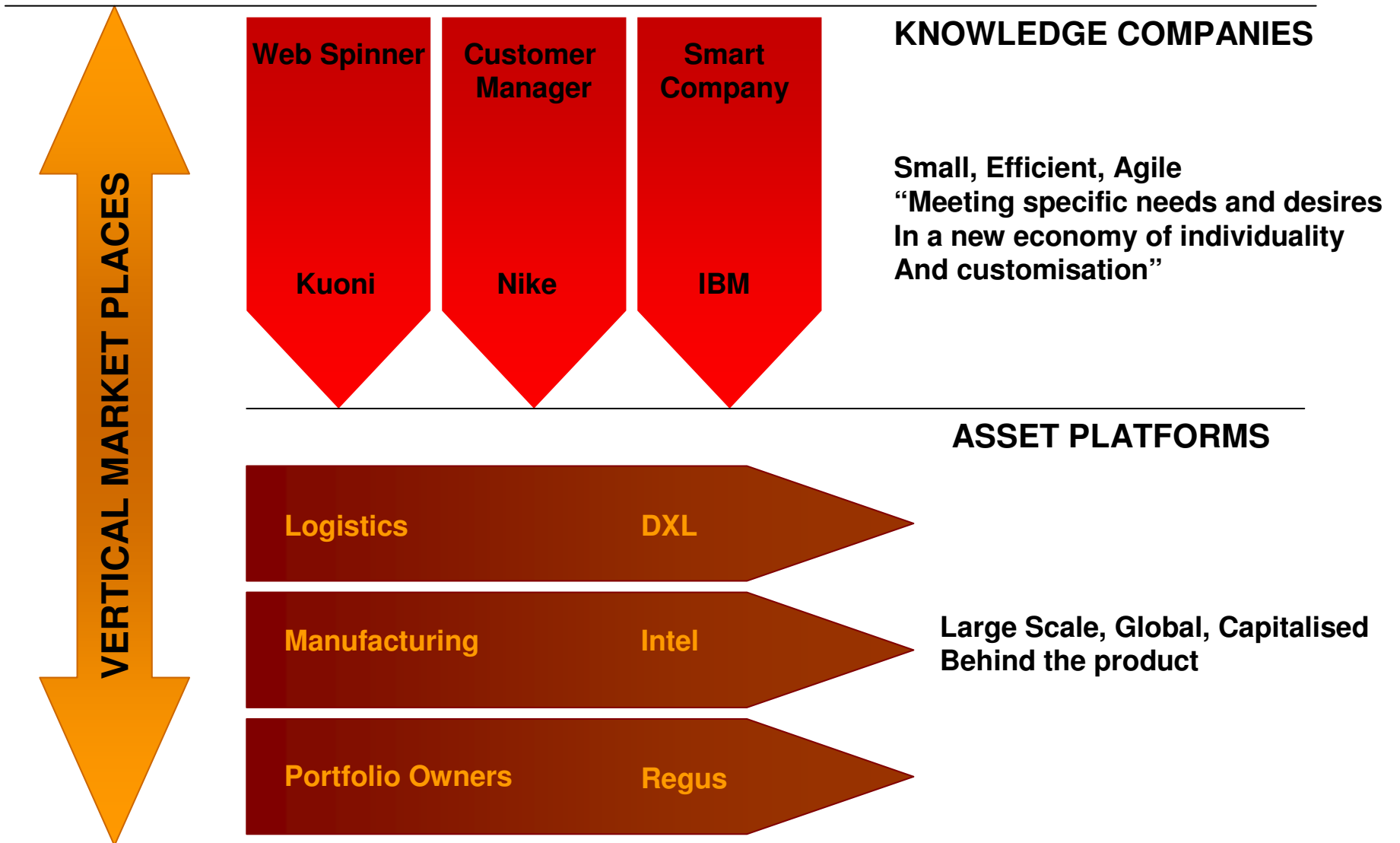
“I have measured out my life with photo opportunities.”

David Beckham.

The couple were described as being ‘very touchy feely’. Their affection, like everything else in their lives, seems to have little reality until performed in public.

Simon Barnes, The Times

The Knowledge Economy Requires New Business Structures



Source: Camrass & Farncombe: Atomic

Challenge for Corporate Real Estate

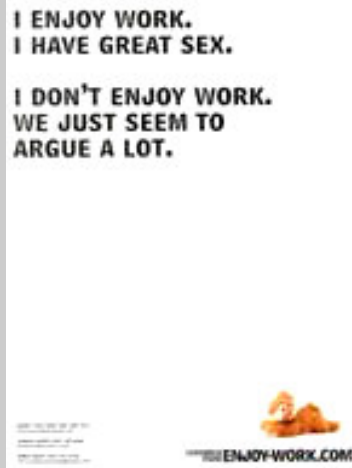
- Recognise continuous change
- Operate across space and time
- Integrate product and process = Experience
- Establish memorable, enjoyable places
- Embrace fuzzy thinking



New Paradigm for Real Estate Delivery



Boots the Chemist
DEGW Architecture, Interiors, Change
Management



Chiswick Park, Developer Stanhope
DEGW Research & Building Appraisal



Shell Learning Centre, Netherlands
Twynstra: Management
DEGW: Design

Accommodation = Space + Tenure + Services + Amenity

Financial Flexibility
Functional Flexibility
Physical Flexibility

New Offer = Total Experience

Model of Delivery – Sustainability through Intensification



**‘Overlapping use
of space + time
maximises
resources +
returns’**



Shell Learning Centre,
Netherlands
Twynstra: Management
DEGW: Design



Lean Thinking - Integrated Approach

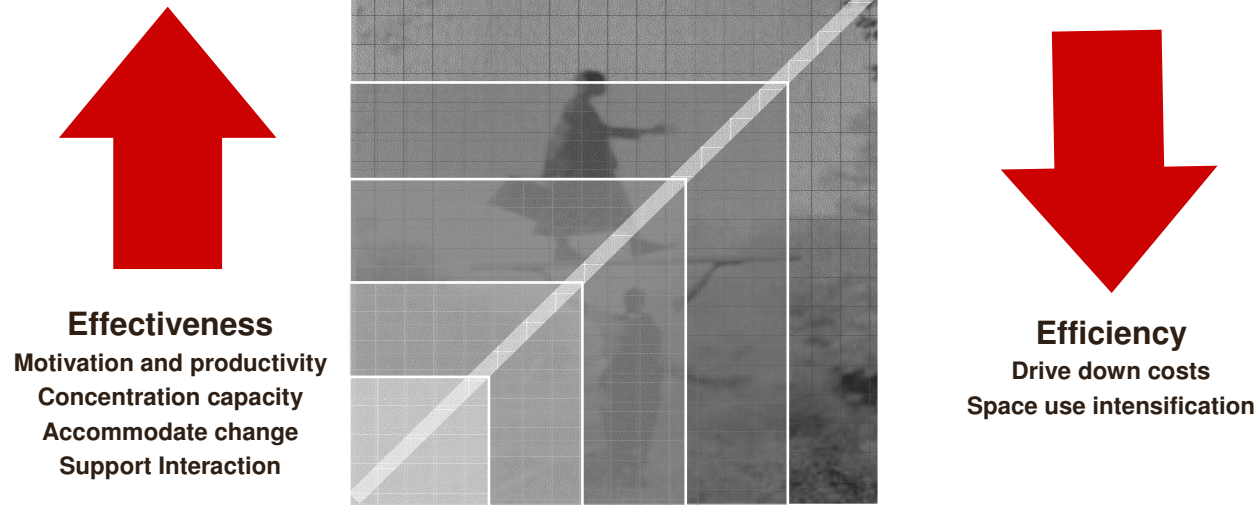
Change in the way we Perceive Property

1999	Capitalisation	Fixed Assets	Revenues	Net Income
IBM (Founded 1911)	\$214 billion	\$19.6 billion	\$61 billion	\$6.3 billion
Microsoft (Founded 1975)	\$407 billion	\$1.7 billion	\$19.7 billion	\$7.7 billion
Amazon (Founded 1995)	\$11 billion	\$29 million	\$609 million	\$124 million



Increase Value through Expression

EXPRESSION



Creative environments integrate:

Efficiency - achieving more with less

Effectiveness - value added by imagination

Expression - the messages environments convey

“The Building is a Billboard for the Business”

Expression through External Appearance



Chiat Day: Los Angeles



Dutch Pavilion, Hanover. Expo 2000. MVRDV Architects

Architecture as narrative

Expression through Design and Management



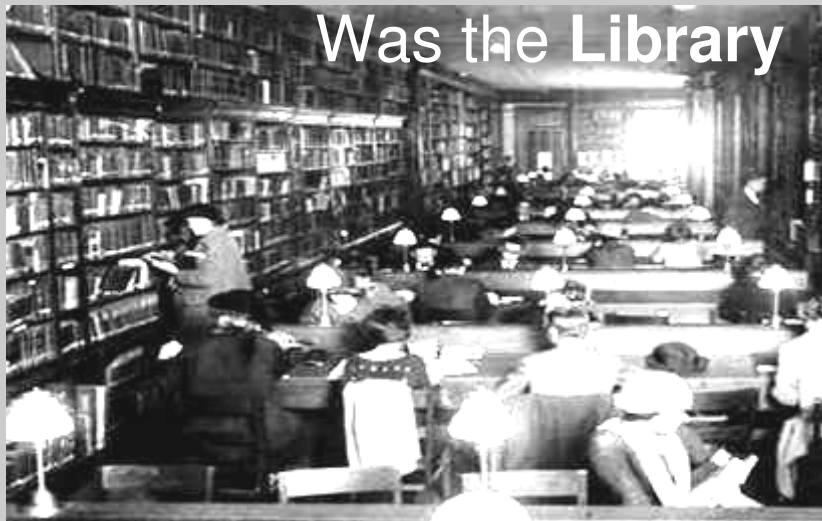
Grosvenor Properties – London
DEGW Interior & Space Planning



J. Walter Thompson London
DEGW Interior & Space Planning

“Organisational values are reflected through the allocation & management of space”

The Environment becomes a Resource for Learning



- The Environment becomes a :
- **Store** for Knowledge
 - **Communicator** of Knowledge
 - **Creator** of Knowledge
 - **Force** for **Innovation**

Is both... **Physical** and **Central**, **Virtual** and **Dispersed**

Environment: communicates information

- Leading financial Services Company who have achieved success by promoting innovation and creativity
- 20,000m² “vertical village” over nine floors
- Themed Interaction zones on each floor, linked by open staircase
- Themes represent “staff dreams”
The Zen den, Cafe 6, The Forum



MLC, Sydney

Environment: focus for information exchange

- Building Conveys Corporate Values
- Training on ground floor
- Street focus of informal exchange
- Clarity of Zoning
- Place of Exchange 30% out 30% of outsiders in



BA Waterside, Heathrow London
DEGW strategic briefing

Environment: enhances innovation

- Objectives:
 - To provide inspiring work environments for small companies, free agents and smaller groups from large corporations.
 - To build communities of the members in both physical and virtual space.
 - To enhance networking and knowledge exchange among mobile workers/free agents
- Range of formal and informal work settings, intranet for pooled contacts and knowledge
- Culture manager facilitates and support interaction through activities and events



United Spaces, Copenhagen

New flagship store for Apple in Chicago



More than a just a store

This is a new flagship store that **aims to integrate retail sales with educational sessions.** Of course there are **Apple Mac** training sessions, however there are also **digital photography** and **movie making**, and other evening sessions (for a fee!) that integrate Apple into the community...

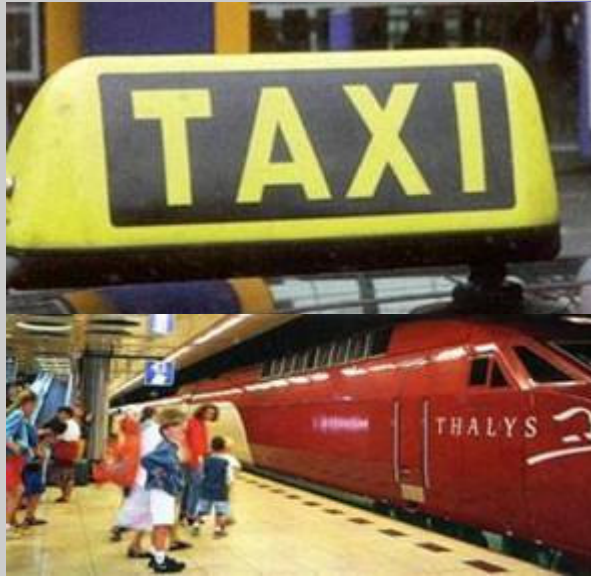
The Apple Shop, Chicago



More Ways to Learn

“... plus the Apple Store offers **more than 300 unique learning events every month**, covering every aspect of the Mac, plus much more.”

Location Takes on a New Significance



Times Square Business Improvement District (BID)
Manhattan

- Creating**
- Hubs:** Interchange of different modes and levels of transport
 - Nodes:** Mix of functions – overlapping activities throughout 24 hours
 - Places:** Memorable gateway – creating a distinctive range of symbiotic functions

Integrated Business and Learning – Roppongi Hills, Tokyo

Centre for working, living and leisure

- 4,500 m² offices
- 390 room hotel
- 840 Residences
- Retail and Cinemas
- Asahi TV
- Beauty Plaza
- Art Gallery
- Academy Hills



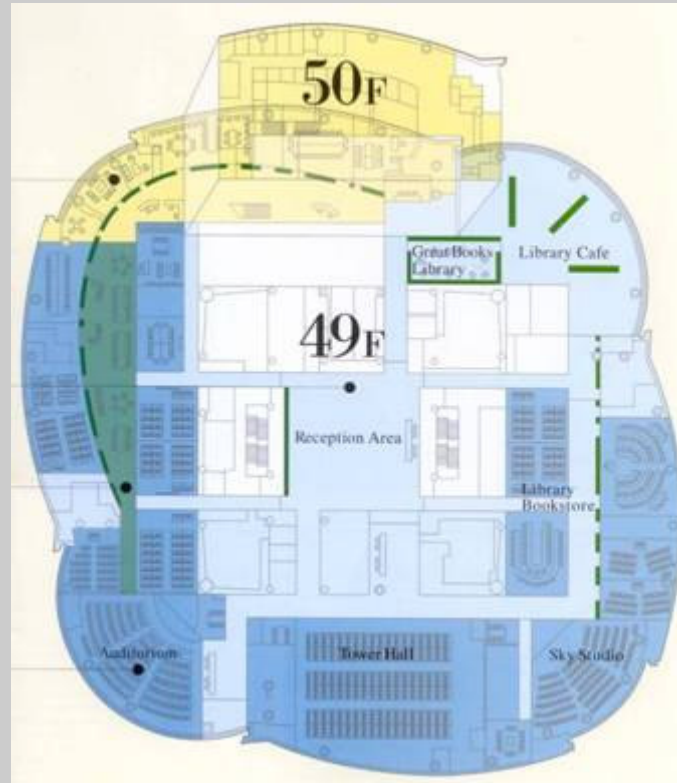
“An Urban Portfolio for Tomorrow’s Cities”

Roppongi Hills



Academy Hills – A Cultural Heart for Tokyo

- Library & Bookstore
- Forum
- Touch-down
- Chat - Network
- Conference
- School
- Research Network
- Digital “Bauhaus”



Organisational Innovation Reflected in Richer Variety of Work Settings



Informal communication



Coffee + chat + meet



Creative interaction



Customer support training



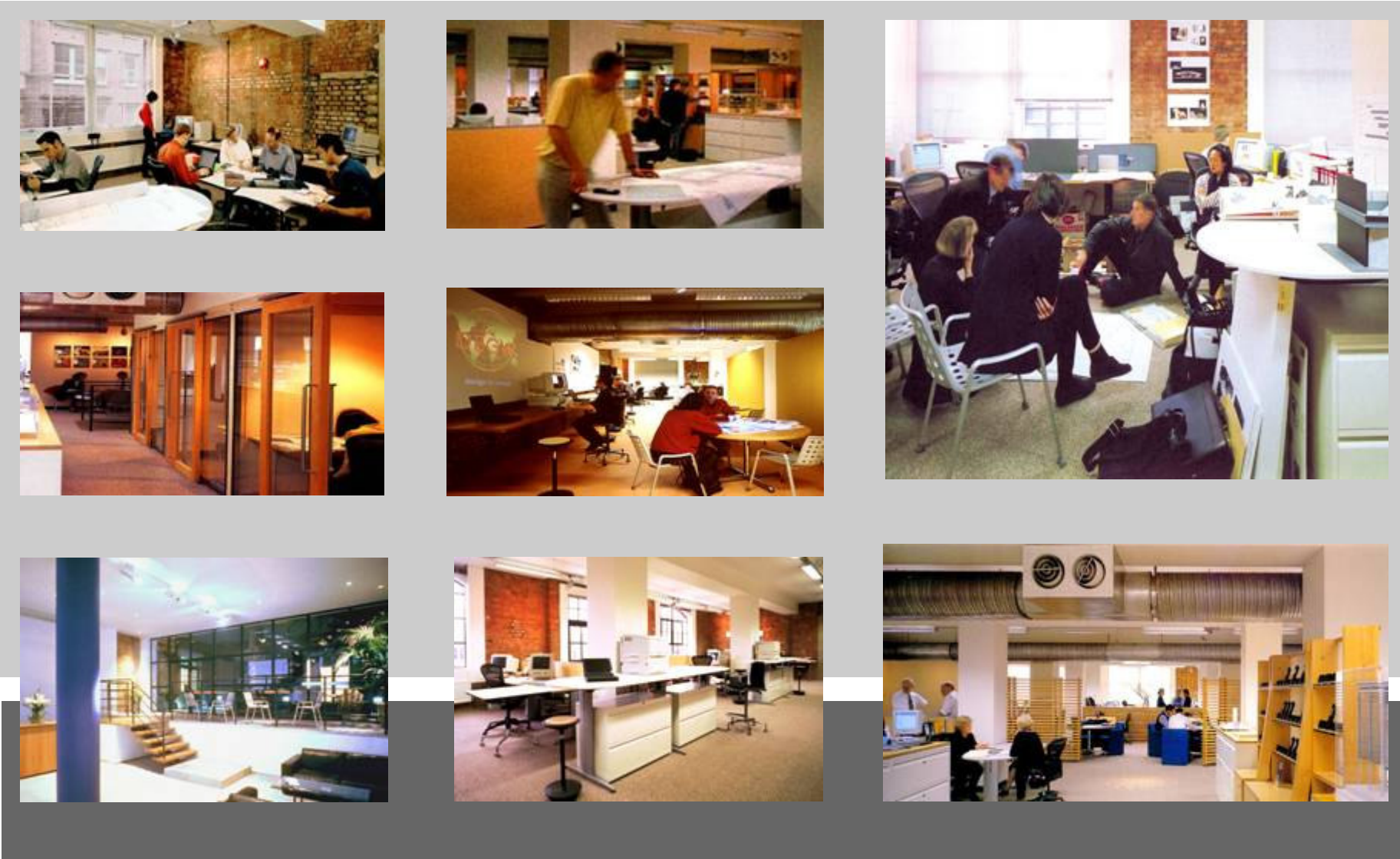
Team meeting



Showcase - product presentation

...blurring of boundaries between personal, shared and public...

DEGW Offices – Portfolio of Settings



New Ways of Working are Breaking out from Tyranny of Office Shell



DEGW : Arthur Andersen Reading



DEGW Strategic Briefing Workplace Change Management
Bligh Voller Nield - Interiors
Lend Lease - Project Management

Parkview at Battersea - Constructing a rich portfolio of space types

Penthouse

Habitable Mezzanine

Studio Loft

Public Street

Atrium

Atrium

Atrium

Showcase Semi Public Street

Penthouse

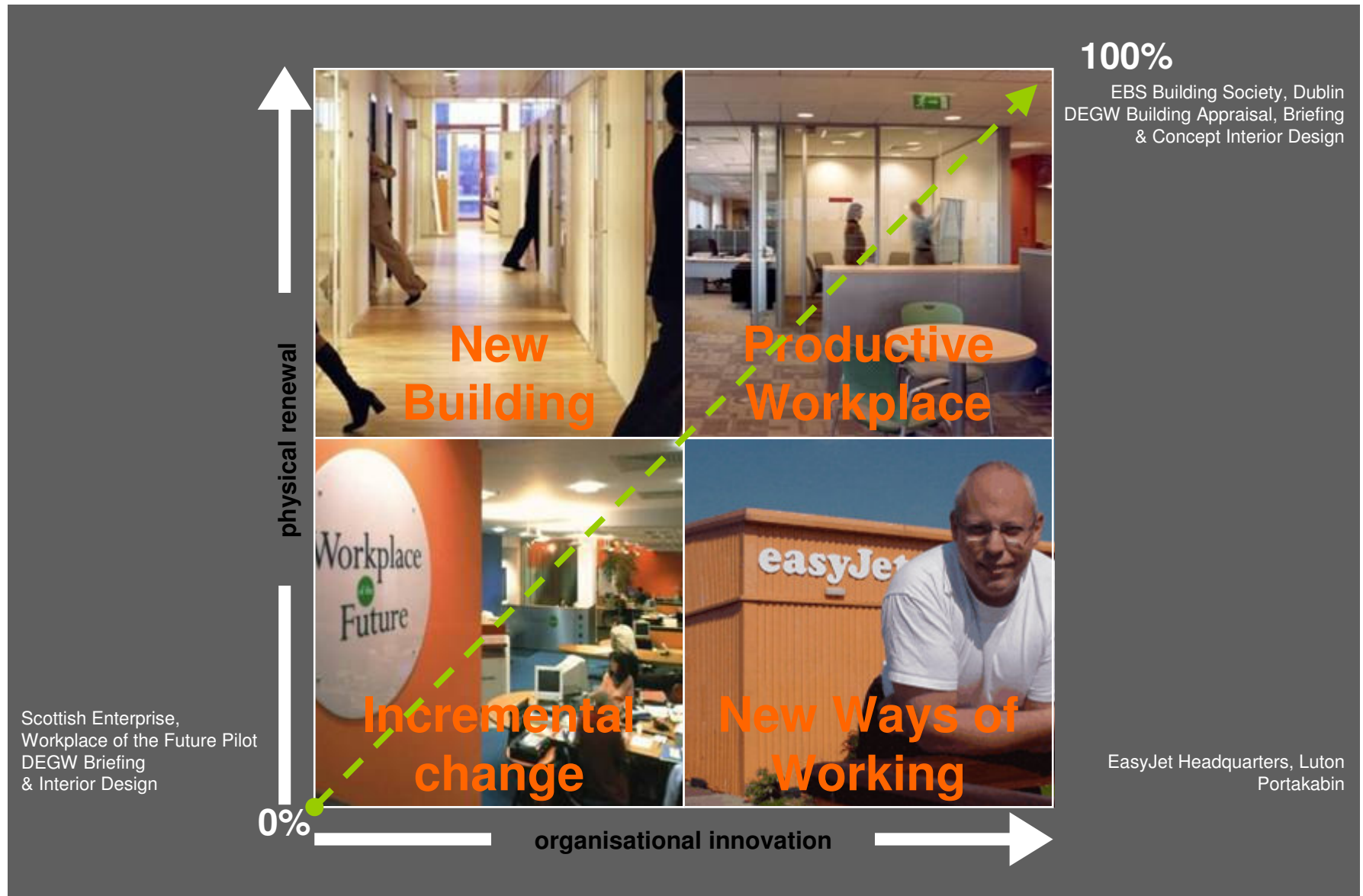
Berkshire House, DEGW Architects

Loft

Mezzanine

J Walter Thomson, London
DEGW Interiors

Opportunity to Manage Organisational & Physical Change



Five Themes to Support a Real Estate Strategy

- Integrate People, Process and Place
- Intensify use of space, time and technology
- Recognise the 'power of the swarm'
- Be generous and share with others
- Celebrate 'Paradox'

LOOK OUTWARDS – THE CITY IS THE OFFICE