New Ways of Working

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Shaun Eddleston, VP Global Account Development, ISS World Services A/S
The way we work, and hence the workplace, will be radically different towards 2020...
The outsourcing evolution within Facility Management

The evolution of FM Outsourcing

1980
- Single Service Outsourcing
- Hard FM Outsourcing

1990
- Soft FM Outsourcing
- FM Automation (e.g. CAFM)
- Contract Management
- IT Services

2000
- PFI
- Waste Management
- Property Management
- Integrated FM

2010
- PPP/BTO Offerings
- Integrated FM
- Asset Management
- BPO

2015
- Workplace Change Management
- Smart City Integration

2020
- Sustainable Work
- Environmental Performance

2015 Hot Issues:
- Contract globalisation
- Service integration
- Business efficiency value propositions
- Vested Outsourcing
- Adoption of smart building solutions
- Active energy management services
- Active energy management services

Service Bundling

Service Integration

Total FM

Sustainability Management

Workplace Management

Source: Adapted from Frost & Sullivan, February 2015
The FM/CRE Industry is undergoing radical change …

How to optimize “work” and to meet demands for efficiency?

- How to understand and anticipate consumer needs?
- How to optimise services? From ”planned” to ”on-demand”
- How to measure results/impact?
- How to govern the process?
Help organizations to create better workplaces

- Surveyed 613 FM experts from 56 countries
- Interviewed 17 subject matter experts from 9 countries
- Collected clients’ insights during workshops in Austria, UK and Norway
The workplace will become an ‘experience hub’

The future workplace of successful organizations are:

- Attractive environments where employees will want to work
- Helping organizations fulfill their strategies, deliver on brand promises and empower organizational culture
- Generating significant financial and environmental savings
- Showcasing what organizations can do for their clients (walk the talk)
- Helping organizations shape their future
Future challenges facing today’s outsourcing model

1. **Fundamental shift in the way we think about work**
2. **Technology as the enabler of collaboration & change**
3. Urban areas allow companies to leverage surroundings

4. **Polarization of the labour market**
5. Increasing labor market diversity
6. **Growing need to focus on employee well-being**

7. Personalization of the workspace
8. **Sustainability and the future workplace**
The workplaces of the future will address consumer’s needs

- Work is no longer constrained to time and space
- Competitive advantage is gained from organizations’ ability to shape behavior:
  - My behavior,
  - My colleagues’ behavior,
  - Collaborating partners’ behavior
- Increasing number of teams and workspaces are organized around limited, temporary and task-based projects
- Workplace strategies change often and quickly
Customers are responding to the challenge by

**Less space**
- M2 per employee fell from 20.9m2 – 16.1 m2 (2007-2012).
- If trend holds, 9.29 m2 by 2017
- 51% of desk space is not occupied

**Less privacy**
- Open office plans are becoming rule as companies seek
  - Cost effectiveness
  - Greater collaboration

**Longer days**
- Recession is causing people to work longer days, according to Towers Watson survey.

Employees are returning to the office

Might not be a bad thing if they are cycled out every 90 days

Employees are returning to the office

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Technology enables collaboration & change

1. Networked Society
   - Networked consumer electronics
   - Networked industries
   - Networked everything
   - Networked society

2. Cloud computing
   - Facility & Consumer Data
     - Architects
     - Engineers
     - Contractors
     - Space Management
     - Facility Maintenance
     - Real Estate
     - Partner’s FM solution network

3. Building Information Modelling
   - Building Information Modelling
   - Construction
   - Operations
   - Maintenance
   - FM Partners
   - Software
   - Internet
   - Web
   - Big Data
   - Technologies
   - Size
   - Complexity
   - Databases
   - Examples

4. BIG data
   - Information
   - Analytics
   - Technologies
   - Size
   - Complexity
   - Databases
   - Examples

Facility Management Solution

ISS
The Power of the Human Touch
Growing importance of employee health and well-being
Sustainability remains a key challenge for the future

- Commercial buildings represent 30 percent of energy consumption
- Surveyed FM experts expect more regulations concerning sustainability
- Improving building performance is moving towards changing tenant behavior
- Location of buildings compared to where employee live now part of LEED certification
- In buildings with multiple organizations as tenants, FM providers are moving towards collaborative solutions
- Service providers acting on behalf of the client
- Employee behavior and responsibility e.g. vetting of employees

What kind of regulations will influence the office design the most towards 2020?

- ... regarding environmental sustainability of the office building and its performance (47%)
- ... regarding health and safety (19%)
- ... on remote working (8%)
- ... regarding privacy and security (7%)
- There will be fewer regulations in the future (6%)
- ... regarding employment benefits (5%)
- ... regarding ergonomics (4%)
- ... regarding new materials in the office environment (3%)
- Other (1%)
So what…? What does this mean for the outsourcing relationship?

Outcome
Service Quality
Output
Efficiency
Input

RICS – Raising the Bar for FM
Leesman Index

Protector of the asset “value”... the contribution workplace is making to organisational performance
Work will become an experience, not a facility

Focus will be to leverage the core organizations’ ability to:
- Maximize utilization of assets
- Reduce risk and exposures
- Increase flexibility
- Create attractive workplaces which will leverage strategy and (re-)enforce organizational culture

Thereby the service provider will have to:
- Engage customers/consumers in the service experience through co-creation
- Become more strategic astute and culturally oriented to support the core business of our customers
- Balance engineering with workplace psychology
- Adopt a partnership-like approach – also to other suppliers (i.e. competitors) in the value chain
The future role of the service provider

FM must help clients achieve solutions to create a workplace, which will;

- Fulfill client’s core strategy
- Fulfill client’s brand and promotes a positive organizational culture
- Generate sustainable financial and environmental savings
- Create productive, efficient and fun workplaces where employees will want to work
- Showcase what the customer does for its clients (live the brand)
- Help shape the organization’s future through new collaborative and “Vested” relationships
“The future is not something we enter.

The future is something we create.”

Leonard L. Sweet, writer, teacher & preacher.