

MAKING AGILE WORKING WORK FOR YOU

STRATEGY GUIDE

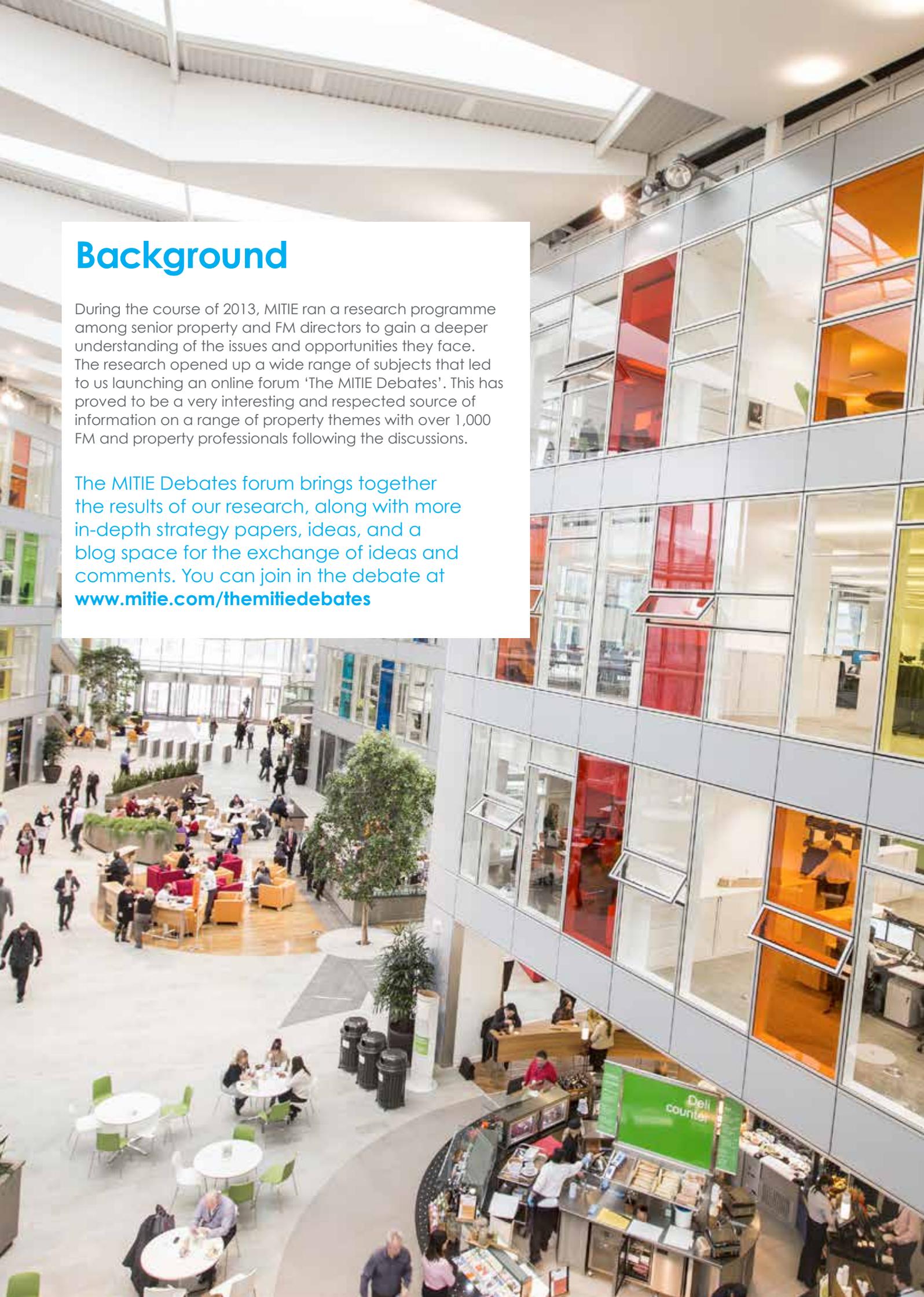
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Background

During the course of 2013, MITIE ran a research programme among senior property and FM directors to gain a deeper understanding of the issues and opportunities they face. The research opened up a wide range of subjects that led to us launching an online forum 'The MITIE Debates'. This has proved to be a very interesting and respected source of information on a range of property themes with over 1,000 FM and property professionals following the discussions.

The MITIE Debates forum brings together the results of our research, along with more in-depth strategy papers, ideas, and a blog space for the exchange of ideas and comments. You can join in the debate at www.mitie.com/themitedebates



Executive Summary

MITIE's research conducted earlier this year with property and FM directors found that agile working was one of the most frequently recurring topics mentioned as having significant influence on the way our interviewees plan and use property. Largely driven by technologies that allow people to take their work with them, this is a change in working styles that has significant implications both for business efficiency and productivity, as well as for reducing the costs of operating a commercial property estate.

According to industry analysts Gartner, around 60% of senior managers in large private and public sector organisations work to a greater or lesser extent away from their office. This figure ties in with the feedback we received from our research interviews. So, if you're reading this on your iPad, another tablet, or perhaps on your laptop while travelling, then you can take comfort from knowing that you're actually in a rapidly growing majority of senior executives taking advantage of mobile technology to increase productivity beyond the traditional boundaries of the workplace.

But it's not just senior managers that are benefitting from the introduction of 'new ways of working'. Staff at all levels in white-collar organisations are enjoying the ability to take more control of when and where they work, leading to greater productivity and employee satisfaction.

The arrival of agile working is driving a sea change sweeping the commercial property landscape as organisations react to these opportunities. By far one of the biggest benefits to the enterprise is the ability to significantly reduce the corporate estate's footprint by reducing the need for staff to work from a fixed location. At the same time they are harnessing the benefits of technology and mobility to redesign their environments and find new efficiencies that are beneficial to staff and customers.



Why we've produced this guide

Underpinning any successful introduction of agile working is the provision of a properly designed and managed workplace. This is giving rise to a new term in corporate thinking, 'Workplace Management', that spans many of the traditional workplace disciplines delivered by separate functions covering Property, FM, IT and HR.

Workplace management is becoming one of the fastest-growing, and most important areas in corporate services. It covers not just the management and delivery of cleaning and maintenance but also technical services, information technology, document management, front of house, room booking and security, all of which are critical to the smooth and efficient operation of an agile working environment.

MITIE draws on a wide range of experience in managing corporate facilities and premises across a range of clients in both public and private sector operations. We have brought together our clients' experience to produce this strategy guide as a reference document to give insight and ideas to organisations looking to reap the rewards of this exciting and innovative approach to work.

Within this guide we take a holistic look at the wider aspects of creating, delivering and managing an agile working environment, from agreeing the initial strategic objectives, through to running the new environment. You'll find some very compelling examples of organisations harvesting significant gains in productivity and profitability from successfully introducing an agile working environment.

It contains a mixture of statistics, analysis of best practice, and guidance from those who are already successfully making agile working work for their businesses, together with a few useful checklists.

Section 01

THE BUSINESS CASE FOR AGILE WORKING

People, productivity and profit

On June 23 2013, MITIE was one of 22 major UK employers to announce the launch of the Agile Future Forum, a group of CEOs dedicated to spreading understanding of the benefits of agile working and helping to improve the productivity of UK plc.

One of the driving forces behind the coming together of this influential group of CEOs is a government initiative to increase the adoption of flexibility in the workplace.

At first sight, this may seem a bit like bolting the stable door in the wake of the proverbial horse's departure, when the CBI's 2011 Employment Trends Survey of businesses found that 96% of UK companies offered at least one type of flexible working practices, and many companies offered several. However, digging deeper into the findings, it emerges that since flexible practices have largely been developed in response to employee pressure, rather than favouring the needs of the business, companies are often wary of extending them further.

It turns out that many senior managers actually see greater employee flexibility as a risk to the business. This is underscored by the survey results showing that around a third of UK companies are reluctant to extend the right to request flexible working arrangements to all employees. Additionally, 32% of companies surveyed suggested that doing so would have a negative impact on productivity, while 38% said it would increase labour costs.

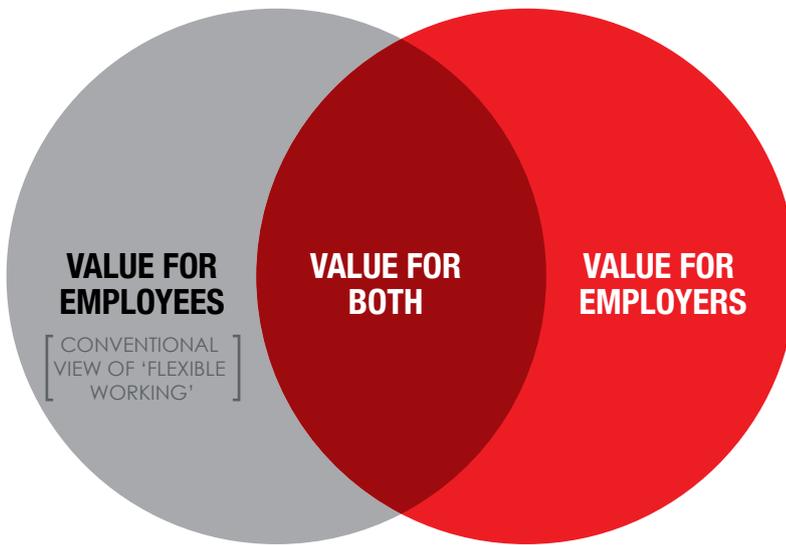
This reveals a significant disconnect between perceptions of agile working and the realities. To a great extent this is because it has been rare for companies to take a business-focused approach to assess the potential business value of an agile workforce. Instead they have been reacting to societal and employee pressure to incorporate more flexibility.

A more appropriate and effective approach is to define an agile working strategy that works for the business as well as for employees. As part of its initial report, the Agile Future Forum created a very informative graphic – shown on page eight – that charts how employee value and employer value can overlap and suggests that the key to an effective agile working strategy is to understand how both parties can benefit.

Diagram 1:

Agility practices can often be configured to generate value for both the employer and the employee

SOURCE: AGILE FUTURE FORUM REPORT 2013



Deeply understand the needs of each part of the workforce:

Different workforce segments often have different preferences, and these need to be thoroughly understood

Define the business needs explicitly

There needs to be a clear definition of how workforce agility contributes to business objectives, economic drivers and value current and potential

As the diagram taken from the Agile Future Forum report shows, there is a large overlap between the needs of employer and employee that can be significantly enhanced through increasing corporate agility.

Certainly wherever we interviewed a company that has introduced agile working the results have been extremely powerful, mirroring the results of a study conducted this year by the Royal Society for the Arts on how flexible working benefits both businesses and their staff. This concluded that in hard cash alone, organisations can realise an annual saving of £650 per employee on office costs, and as much as a further £100 in saved printing costs.

However, these pale almost into insignificance when compared to results from companies like PwC and KPMG whose creation of purpose-designed agile workplaces has been able to achieve a person to desk ratio of 1.5 or over. This equates to a property footprint reduction of around a third, delivering a comparable percentage of savings in both capital and running costs, which are normally the second largest overhead for a 'knowledge' business.

The PwC building at 7 More London, while 'home base' to 6,000 staff in reality only has space for 4,000 to be there at the same time, yet PwC reports not only much more social interaction and staff satisfaction but also significant operational cost reductions. It is estimated that to give every member of staff working out of More London their own desk would increase building costs by £12m. p.a.

How will we work in 2018?

It's not just how and where we work that is evolving, but the nature of work itself is changing. As one senior executive told us in the MITIE Property research conducted in the first half of 2013: "75% of white-collar work today is processing information. Pretty much all of that will be automated in the next decade, so people will be freed up to do the clever, creative stuff. Nine times out of ten that means you need to create a much more collaborative working environment."

Those companies where agile working has been adopted reflect that idea already. PwC's London office is 'home' to 6,000 people, yet only has workspaces for 4,000. Even then, nearly half of the building is given over, not to fixed desks, but to informal meeting spaces that range from formal meeting rooms to coffee bars.

'Agile' or 'Flexible'?

The terms 'Agile' and 'Flexible' are often interchanged, but in reality they have very different meanings. Flexible workers are those that don't conform to the same working hours as their colleagues, for example as part-time or flexible hours workers. This is a long-established practice for those where work is largely delivered on a non-urgent basis, and allows employees to fit work around their domestic lives.

It offers many benefits to both employers and employees, particularly those juggling the twin demands of bringing up families while maintaining their place in the world of employment.

However there is widespread feeling among employees that flexible working can result in them being seen by management as less important to the organisation. In May 2013, Cranfield University's School of Business Management highlighted significant employer reluctance to home working from a two-year research project it carried out in association with Working Families, a work-life balance campaigning organisation.

The University's 'Flexible Working and Performance' report analysed 3,600 responses and found flexible workers were less likely to be chosen for 'crucial' or 'urgent work.' Clare Kelliher, Cranfield's Professor of Work and Organisation believes this is leading to a reduction in the kinds of roles that organisations see as being suitable for flexible working: "There can sometimes be tensions between an organisation's commitment to flexible working and its implementation. Businesses are having to adapt, taking account of client needs, as well as employee needs."

Flexible workers work harder!

Agile working by comparison is increasingly becoming the province of front-line and high profile staff, many of whom deliver business critical roles. During MITIE's 2013 research into property trends, we found a hugely wide range of jobs being delivered more productively through the implementation of agile working techniques that allow staff to work anywhere, any time.

While we've all got used to the idea that senior execs spending much of their weekends at 30,000 feet will settle down to deal with correspondence and reports during their flights rather than a good movie, increasingly agile working is filtering down to a wide range of traditionally office-based jobs – utilities engineers, healthcare and social workers, emergency services, accountants, sales staff, even HR and marketing people are increasingly spending more time away from a desk than at one!

We see examples of agile working in the proliferation of business lounges, on-train Wi-Fi, meetings held in Starbucks, client lounges, telematics, and the widespread expectation that just because you're out of the office, doesn't mean you shouldn't still be in contact.

For many people the trend is also being driven by a staff desire, often running ahead of that being shown by management.

The theory that in response to being given more control over their working patterns staff respond by working harder has been borne out by another Cranfield research project. Dr. Kelliher was also responsible for a study which found that flexible workers generally work harder in the hours they do work compared to those working 'normal' patterns. This 'intensification of work' delivers payback to employers and seems to be considered a fair price to pay by the employee in return for having more control over their work/life balance.

This is particularly true for employees who have negotiated a working from home agreement with their employers. However, the consensus of reports is that working from home has reached a plateau, and that unless it has already been agreed there is a reluctance among employers to introduce it.

Working in line with future generations

This reluctance to working from home by employers is increasingly likely to bring their aspirations into direct conflict with a growing number of their staff. The 'Millennials' or 'Generation Y', i.e. those between 20 and 35, have grown up in an 'always on' environment, continually in touch with their social circles and their digital lives. So they find the idea of being stuck in one place for a fixed number of hours each day stifling.

PwC's NextGen (next generation) report found that if they were able to make their current job more flexible, 64% of Millennials would like to occasionally work from home, and 66% of them would like to be able to rearrange their work hours. PwC is well aware that 80% of its own workforce will come from Generation Y by 2016, so it is little surprise to find them in the vanguard of agile working businesses.

Working from home is not the answer

Agile working is not a simple case of moving workers out of buildings and into homes, or 'hot-desking'. In fact, more and more organisations are introducing a policy of discouraging high levels of working from home. Instead, they are managing the tricky balancing act of providing a home base for their staff, with all the sociological support that comes with being part of an enterprise, with sharp reductions in the size of their commercial real estate footprints.

For some organisations the benefits of enhancing agility by helping workers operate effectively outside their traditional fixed workplaces have been dramatic – not just in terms of cost reduction, but also in efficiencies. One local authority has successfully doubled the amount of time spent by its social workers dealing face-to-face with their clients. It has done this by introducing agile working and technology that delivers all documents electronically to their iPads, wherever they are, rather than having to return to the office to catch up on paperwork.

In the private sector we are seeing similar tales of dramatic improvements, with companies quoting people to desk ratios of almost two to one, and achieving 85%+ occupancy rates. This has significant implications for the shape of the commercial property market. Analysis of responses to the MITIE 2013 research suggests that the mass consolidation of office premises resulting from the introduction of agile working will equate to as much as 35% in a decade.

Anyone who catches a train today can see how this is reflected just from the number of commuters using laptops and tablets to work as they travel.

The lines between 'work time' and 'leisure time' have blurred so much that working time directives for many white-collar staff are meaningless. But effectively supporting those people who work out of the office for a significant proportion of their time brings just as many operational requirements as it does savings.

Is Yahoo missing the boat?

Marissa Meyer, CEO of Yahoo, became the most outspoken critic of the home working culture when she ordered all staff to return to an office-based approach in early 2013.

While her mandate incensed the work/life balance community, her decision was based on hard numbers, specifically the log-ins to the company's IT network. Press reports at the time balanced the official 'no comment' with unconfirmed reports that despite connection to the company's IT network being required for people to do their jobs, the average log in time for home workers was just one hour per day.

Some commented that Ms. Meyer had been brought in to rescue a failing company and as Yahoo's fortunes were in steep decline, morale among staff was so low that a radical change was needed to re-invigorate a despondent, and often distant, workforce.

As Yahoo discovered, there's a lot more to making an agile environment succeed than tearing down walls, replacing desks with tables, and telling staff to turn up and plug in. Letting people work away from the office on a regular basis calls for them to be motivated, independent and happy to work alone for significant periods.

This can place undue stress both on the business and its staff. Various research projects over the years have found that social interaction is a key factor in over two thirds' of people's choice of potential employer, so agile companies need to work hard to maintain a balance between providing a workplace and a social environment.

In the next section we'll look at the building blocks you need to put in place to make agile working work.



“Three quarters of executives see aspects of agile working as having a significant impact on their business in the next five years, but less than half have established policies and processes in place to manage this transition.”



Section 02

CREATING AN AGILE WORKPLACE

The agile jigsaw

To successfully introduce agile working, you need to approach the subject from a holistic perspective that covers several key areas including:

- Estate management – especially building, desk and meeting space allocations;
- HR – agile staff need a very supportive environment;
- Management systems – productivity needs to be carefully monitored;
- Building management – sweating assets increases wear and tear;
- Energy management – consumption needs careful management.

A study by Deloitte Touche Tomatsu recently reported that while three quarters of the executives they interviewed see aspects of agile working as having a significant impact on their business in the next five years, less than half of those interviewed confirmed that they have established policies and processes in place to manage this transition.

This reluctance to embrace the future has also been highlighted by a study from O2 which found that while 75% of employees feel they are more productive when they can change when and where they work, only 19% say their company encourages them to work flexibly, even though 77% of employers claim that flexible working is actively encouraged!

If you get the recipe right, then all the indicators are that you will have a more motivated and engaged workforce that is able to deliver higher quality work more rapidly and effectively.

Because there are so many interconnecting pieces that need to fit together to build a successful agile working environment, it also calls for a wide range of departments to get involved. Not only are the Property and FM teams closely concerned, the IT people, HR and line management all need to work closely together to deliver an integrated and successful environment.

It is totally appropriate, given that property is often the second largest cost in an enterprise, that the Property Directorate should take the lead in helping the company move forward to becoming more agile.

Understanding the data

In almost all cases, the drive to develop more agile businesses has at its root a desire to reduce organisations' operational cost base. While this is a laudable ambition, it is important to ensure that strategic long-term decisions that will affect the very nature and ethos of the enterprise are grounded in reality, rather than just a management desire to be closer to the leading edge of best practice.

Organisations usually hold significant amounts of data that can be used to support decision-making, but too frequently this isn't readily available in a usable format, so decisions risk being made on a combination of macroscopic information, such as utility bills and instinct. Unlocking the data required to substantiate decisions is critical, and more often than not, it is held by the Facilities Management teams.

Critical to the choice of which building to refurbish, redevelop or close is a swathe of operational data that includes:

- Rent and business rates costs;
- Energy consumption;
- Occupancy levels;
- Total number of users;
- Cost of maintenance/upgrade;
- Cleaning and facilities costs;
- Security;
- IT infrastructure;
- Location;
- Accessibility for staff.

Where an enterprise operates from multiple premises, consolidation could appear to be a no brainer, but the decision as to which building to be the one you keep needs to be based on accurate figures rather than pure preference.

For such major strategic decisions, it's critical to ensure that all the relevant data is accessed and considered. Armed with this data, decision-making becomes much better informed, so creating a business case for a complete redesign - or even relocation – becomes much simpler and more likely to get the attention of the CFO. Certainly no senior executive will lightly pass up the opportunity to make dramatic cost savings, while at the same time driving up productivity and staff morale.

Selling the sizzle

As you might expect one of the biggest hurdles to agile working isn't the staff, but more 'senior' managers who associate the size of their office with their status within the organisation. PwC found that over two thirds of its employees were keen to introduce greater flexibility around when and where they work. But for other companies, particularly it appears among the professions, or those where a desk is seen as a status symbol, selling it to management can sometimes be the hardest step in the journey.

The Agile Future Forum report identifies that companies are reluctant to change, so stresses the importance of ensuring that the adoption of agile working is a corporate initiative not a departmental one. Fundamental to this reluctance is the feeling that the staff are not under as much control when working remotely as they are when in the building – the culture of presenteeism.

“...Most implementation challenges are internal to the organisation and could be overcome. The most significant barriers were issues of culture or mindset – particularly at the more senior levels of companies – as well as systems or processes that are not yet configured to manage a more agile workforce...”

Agile Future Forum report 2013

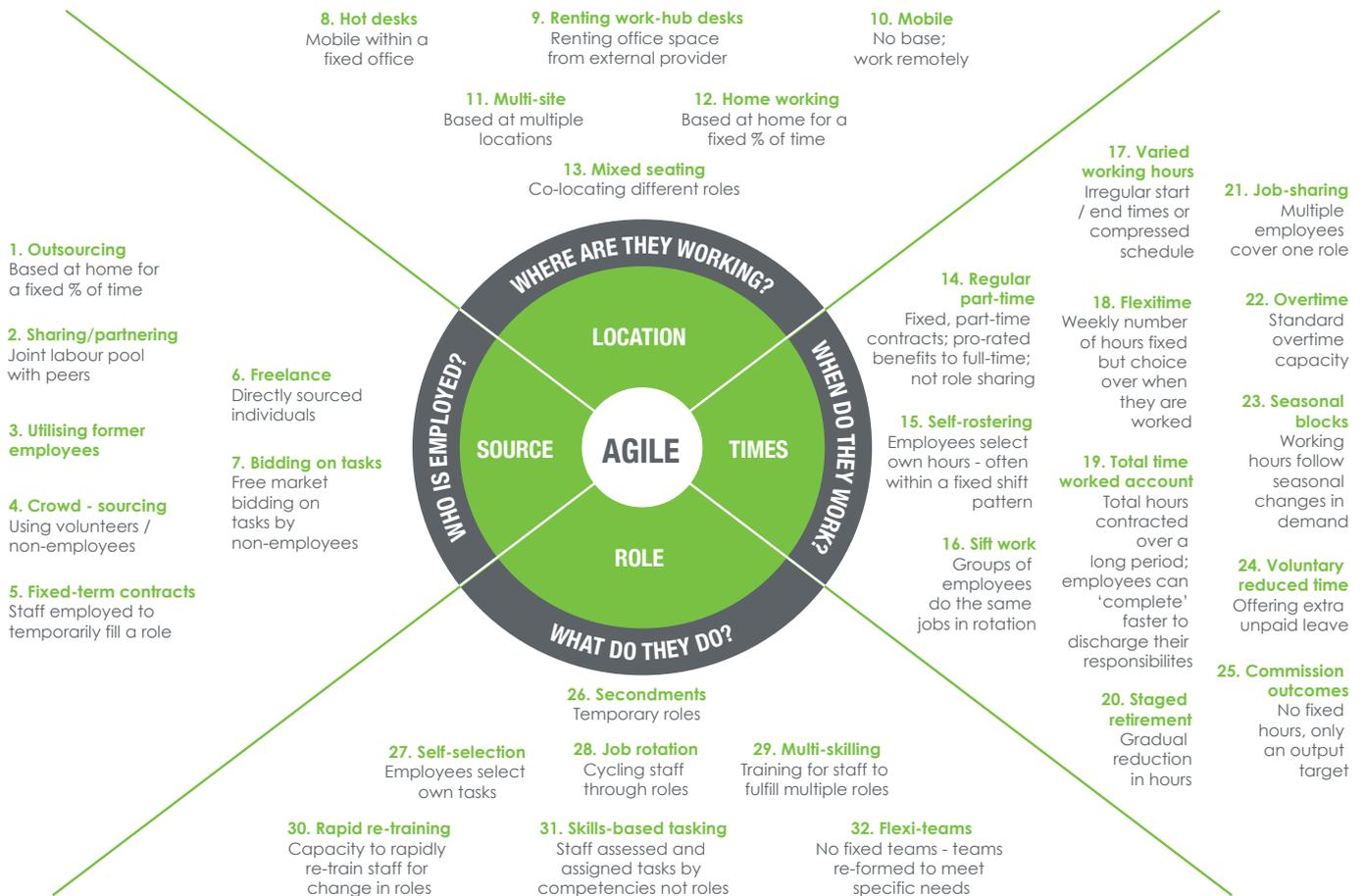
However, the statistics that are emerging show that agile working isn't just commercially beneficial, it can make all the difference between being able to attract and retain the best people or struggling to compete with other companies that do.

A key foundation for an agile workplace strategy needs to be building a shared understanding of how both the business and its employees can benefit from more agile working practices – this is not something that can be forced on staff, especially when there are industrial relations implications.

SOURCE: AGILE FUTURE FORUM REPORT 2013

Diagram 2:

Universe of potential practices to support an agile workforce

**Building a consensus**

A consultative approach is deemed to offer by far the greatest likelihood of success. A good start point is to examine how different roles are delivered within the business, where people currently work and assess what opportunities exist to improve productivity and flexibility through introducing new practices. One of the established best practices for visualising this is to produce a matrix that sets out four key aspects for each job:

- Who is employed?
- What do they do?
- When do they work?
- Where do they work?

This will rapidly help to assess whether a specific job can be delivered effectively in a more agile manner (see diagram 2). Clearly staff on production lines, and hospital wards need to be at a specific purpose-built place of work, but many other roles do not require it.

For example at any branch of the Apple Store you'll find just three tills regardless of the size of the premises – every single staff member is equipped with an iPhone, linked to the company's EDI system and able to swipe a credit card and print a receipt or email it.

This saves both staff and customers' time, and improves service and is an interesting indicator of how freeing up staff from a fixed location – even if they work in the same space, can drive up productivity.

At the same time the Apple Store has turned the role of sales staff from counter-based and reactive, to proactively meeting and greeting. Raising staff importance from being seen as counter clerks to 'Apple Experts' has made the Apple Store one of the hottest places to work in retail, with long lists of eager staff wishing to be offered the next available position.

So as Apple has proved, agile working is much more than just technology enablement, it is about creating a different culture in the business. It also appears to deliver astounding performance benefits – according to a report by Asymco, Apple Stores deliver seventeen times better sales performance than the average retailer, delivering over \$6,000 worth of sales per square foot compared to a US average of \$787 per square foot across the median top 20 US retailers.

Designing the space

Traditional 'top down' management styles don't sit easily with an agile environment, so selling the concept of giving up the leather-topped desk can call for well-honed diplomatic skills! Many is the department head who railed at the idea of giving up his desk, but those that have, often report that they feel much more in touch with their teams and part of the business as a whole.

Some organisations have designed out individual desks completely, instead creating a 'business hotel' environment, where everyone shares space and books out private rooms or workspaces to suit their needs. Others choose a middle path. For example at EasyJet, there are several fixed desk locations, which teams use while delivering projects. The CEO will book to sit at one specific place for a period of several months, but will always move if the space is needed to bring together a project team.

While some senior managers may not feel comfortable about being quite so 'agile', several of those we spoke to in the MITIE research commented that it has a very positive effect. One went so far as to say, that while staff were surprised at first to find themselves working next to the CEO for a few months, the reaction once everyone got used to it was very positive. "The traditional 'envelope of awe' that surrounds the CEO may have gone, but in its place is a much closer relationship between staff and management, as well as meaning that the boss has his ear well and truly to the ground!"

Refurb or purpose-built?

Large-scale commercial development outside the very centre of London has pretty much ground to a halt since the onset of the recession. In cities such as Bristol, Brighton, Coventry, Derby and many others there is a glut of commercial space on the market, so developers are reluctant to start new commercial developments without an occupier prepared to buy 'off plan'.

However, these are few and far between. The current preference amongst large occupiers is to consolidate and achieve better terms from existing landlords, rather than go through the upheaval and costs of a relocation. It is also worth remembering that according to statistics from HMRC, the most likely destination for a corporate relocation isn't within the UK, but to a more tax-friendly regime.

At the same time the major banks are sitting on large estates of undeveloped land and buildings earmarked for conversion that they took over in the wake of the crash of 2008. As they are not currently lending for commercial investments at all, the supply of new purpose-built corporate developments is unlikely to open up any time soon.

However, that does not mean that agility is a lost cause just because you can't find a new building! Although high-profile relocations such as those at Network Rail and Vodafone have resulted in very modern and effective agile offices, equally successful conversions of traditional buildings into leading edge showcases have been the refurbishments of Diageo's corporate HQ, and the conversion of 1 Embankment Place by PwC.

Keeping it casual

Agile working certainly appears to make staff feel much more empowered, and in fact several of those organisations we interviewed for this paper commented that one of the key design factors for an effective agile environment is engineering in spaces for 'casual encounters'.

Once again, Marissa Meyer from Yahoo sums up the value of this eloquently: "Some of the best decisions and insights come from hallway and cafeteria discussions, meeting new people and impromptu team meetings. Speed and quality are often sacrificed when we work from home."

The agile workplace stands out most dramatically from a traditional working environment by its preponderance of openness and informal meeting spaces. Many of these are around coffee counters where staff can linger while organising their own refreshments. Others are lounge-style environments and even staff canteens where large tables encourage effective, collaborative, yet informal meetings.

Designing an agile building calls for a lot more than just maximising desk space to squeeze in the largest number of people and providing a few coffee bars with stools for casual conversation. Many of the respondents to the MITIE research mentioned engineering in the opportunities for spontaneous encounter,

for example, between senior managers and staff who would never otherwise see them. These tend to create a similar effect to that at EasyJet where the distance between staff and management is tangibly reduced, replaced instead with more open and relaxed co-operation.

“There are clear patterns emerging that appear to show that it is the activities, features and facilities that support social cohesion that fuel high performance. It is not about spend, but it is about space.”

Tim Oldman, managing director of Leesman, has tangible data that shows how building design can raise, or reduce, employee satisfaction. "With over 43,000 employees having completed our survey in the last three years, we have the largest contemporary insight into workplace performance, so have started to examine the common features of high performance vs low performance space. There are clear patterns emerging that appear to show that it is the activities, features and facilities that support social cohesion that fuel high performance.

"It is not about spend", he continues, "but it is about space."

Some of the most impressive agile workspaces include the main offices of the 'big four' accountancy firms. PwC has broken new ground with its first agile office at 7 More London and is now rolling out a similar approach to all its offices worldwide. PwC's approach to agile building design sees almost half of the building given over to informal spaces, ranging from meeting rooms and coffee lounges to acoustic chairs where people can make phone calls without being overheard by colleagues or having to contend with background noise.

You can see a video of PwC's 7 More London building by visiting www.mitie.com/PwC



Getting the technology right

The whole agile working revolution has been driven by the emergence of ubiquitous mobile communications. In 2008, sales of laptops were higher than desktop PCs for the first time. In March 2013, IT industry analysts IDC stated that by the end of this year tablets will outsell desktops, and by 2017, now just three years away, they will outsell laptops as well!

Technology is not only getting smaller, it's getting a lot smarter, and evolving a lot more quickly – the first desktop PCs arrived in the mid 1980s and remained largely unchallenged by laptops for 25 years. In the space of just the last five years, we've seen the laptop become market leader. Now it is being displaced by tablets that can do pretty much everything any business person needs to do, and in a much more usable format.

The explosion of collaboration sites, such as Lync, Chatter, DropBox and Skype are also leading to new working practices. People can now work together on the same document, such as a presentation or report, just as easily while they are in different parts of the country as if sitting side by side in an office! Skype, and GoToMeeting are now accepted ways of conferencing using sound, video and document collaboration, allowing people to dramatically reduce the time taken travelling to meet with colleagues.

Understandably IT directors are finding this a challenge – their training has been on centralised systems, but increasingly the demands of the business are for accessibility and mobile connectivity, driven by the growing movement called 'BYOD' or Bring Your Own Device, which are forcing them into a rethink.

It's a major challenge for employers when people own better technology at home than they have in the office, and feel that by bringing their own iPads and tablets to connect to the corporate network, they can work more efficiently than with the company's technology.

Another IT industry analyst, Gartner, has predicted that by 2016 over 50% of spending on information technology will come from departmental budgets rather than IT departments, giving rise to the CIO's worst nightmare!

These are just two of the factors that need to be incorporated into the agile strategy. But perhaps the biggest demand in an agile environment is for bandwidth, and widespread availability – there's no point in offering instant connectivity, if everyone is greeted by the spinning wheel of death whenever they try to connect!

However this also has to be balanced with corporate security needs, especially for companies in compliance-rich environments, where wireless networks need to be thoroughly locked down and access to secure and confidential files strictly managed.

Section 03

MANAGING AN AGILE BUILDING

Running a business hotel

One of the most frequently heard comments from staff entering a modern agile office environment for the first time is “It looks like a hotel.” This of course is exactly its purpose – it is a business hotel, rather than a conventional office.

But while they are extremely user-friendly, keeping business hotels looking spic and span is a major challenge. Many of these buildings have less than 50% of their space given over to fixed desking and tables, which can see several changes of occupant each day. With almost half the building made up of informal spaces, which again see high utilisation, the pressure on good housekeeping is significant.

Traditional approaches such as out-of-hours maintenance and cleaning simply can't deliver the required level of service to satisfy such intense use of the premises. So new thinking is needed, which usually means that from the design stage people representing all the new building's stakeholders need to be involved.

Several of those organisations that have introduced agile working most successfully proudly point to the fact that right back when their buildings were hard hat areas, they worked with key service providers to ensure that the final building design would work just as well to enable them to optimise service delivery, as to provide a creative and productive workplace for their staff.

Cleaning and maintenance

In a traditional environment, buildings are cleaned and maintenance is carried out after hours when no-one is likely to be disturbed by the noise of vacuum cleaners thundering away, or cleaners wanting to polish desks.

However, in an agile building, opening hours are normally much longer, so out of hours cleaning becomes less practical. Additionally, as each workspace can have three or four different occupants in a single day, the need to have cleaners available to refresh the spaces on an 'always available' basis becomes important.

Martyn Freeman, managing director of MITIE's Facilities Management business, comments that this places a different emphasis on the staff that need to be employed to deliver these services. “Historically no-one ever interacted much with those who kept the building running, because it pretty much all happened behind the scenes. But in an agile environment, your FM staff not only need to be visible, they need to be appropriately dressed to match the corporate ethos of the client. They need to use much quieter and more effective cleaning methods, such as equipment that reduces the noise to a level that it is not intrusive, and they need to be personable, friendly and willing to help.

“You're not going to get all that, together with the intelligence and supervision needed to make an agile building run smoothly on a minimum-wage, lowest margin contract,” he continues. “Instead companies that are looking at greater agility are now calling for a much more service-oriented workforce from their outsource suppliers, which is changing the dynamic significantly.”

Concierge service

In several high-profile locations where agility has been introduced successfully, the building operators have also introduced a concierge service for each floor. Think of a cross between the Chief Porter at the Savoy, and Virgin Atlantic cabin crew, and you soon get the picture – efficient but friendly, and extremely helpful!

The concierge's role is to ensure that the building is being used most effectively. So they do 'bed checks' to make sure that if a desk is booked out it is actually being used. They also ensure that lights are discretely maintained, and that the workplaces, hallways, meeting rooms, and especially the washrooms are always clean and fully serviced.

It continues the very high-quality reception that the best buildings operate. In many establishments both clients and visiting staff are treated as though they've just arrived at an upscale business hotel, often being greeted by name before being escorted to a dedicated lounge where high-quality refreshments are offered by permanent lounge staff.

This level of service does mean an additional cost compared to the traditional approach, but the positive impact on the building ambience has to be experienced to be believed. As one person we interviewed for MITIE's 2013 research commented, "The difference between a good agile office environment and the traditional building is about the same as that between flying business class and coach. Once you've flown 'business', you never want to turn right as you enter a plane again!"



Supporting the 'road warrior'

At a recent MITIE Executive dinner on the subject of agile workplaces, several senior property and FM directors met to discuss the strategic and operational benefits, and one phrase that kept cropping up in conversation was 'supporting people.'

On a personal level this includes encouraging more social interaction within the workplace to help staff feel a higher level of 'belonging' within their organisations. But a more significant challenge from the property department's perspective is that of providing support for mobile working.

For many staff 'on the move', the need for support has been largely confined to IT and telecoms, but increasingly business is being done on a 'just-in-time' basis. For a lot of organisations that means making final tweaks to client presentations, or reports, on the way to a meeting. This in turn has created a growing need for access to mobile document production, such as producing a presentation or hard copy document to be delivered to a client's premises at the same time as the author arrives.



Equally, the standards required from reception staff who will be dealing with a much higher number of people visiting the building, also need to be more akin with those of a hotel concierge. Managing occupancy whilst people are in the building calls for active supervision to ensure that desks are actually being used when they are booked, and making sure that all the little details of keeping meeting rooms clean and ready for use are in order.

While on the one hand this higher degree of facilities management will result in modestly increased operational costs, the overall savings that come from reducing the overall commercial footprint, by as much as one third, will dramatically outweigh these. Reducing your corporate footprint by around a third is the saving that keeps on saving, as operational and energy costs will reflect those savings every year.

In some cases this can mean a presentation is being finalised on a train journey, being emailed to a service provider and turned around by its local office in the time it takes for the author to get from the arrival station to his or her meeting.

While the IT department looks after the laptops, the management of print and post room facilities has long been the remit of the FM team. As more and more staff work on the road, this is evolving into a much more business critical role and is seeing the emergence of specialist suppliers such as MITIE's Total Document Management business.

Keeping people happy

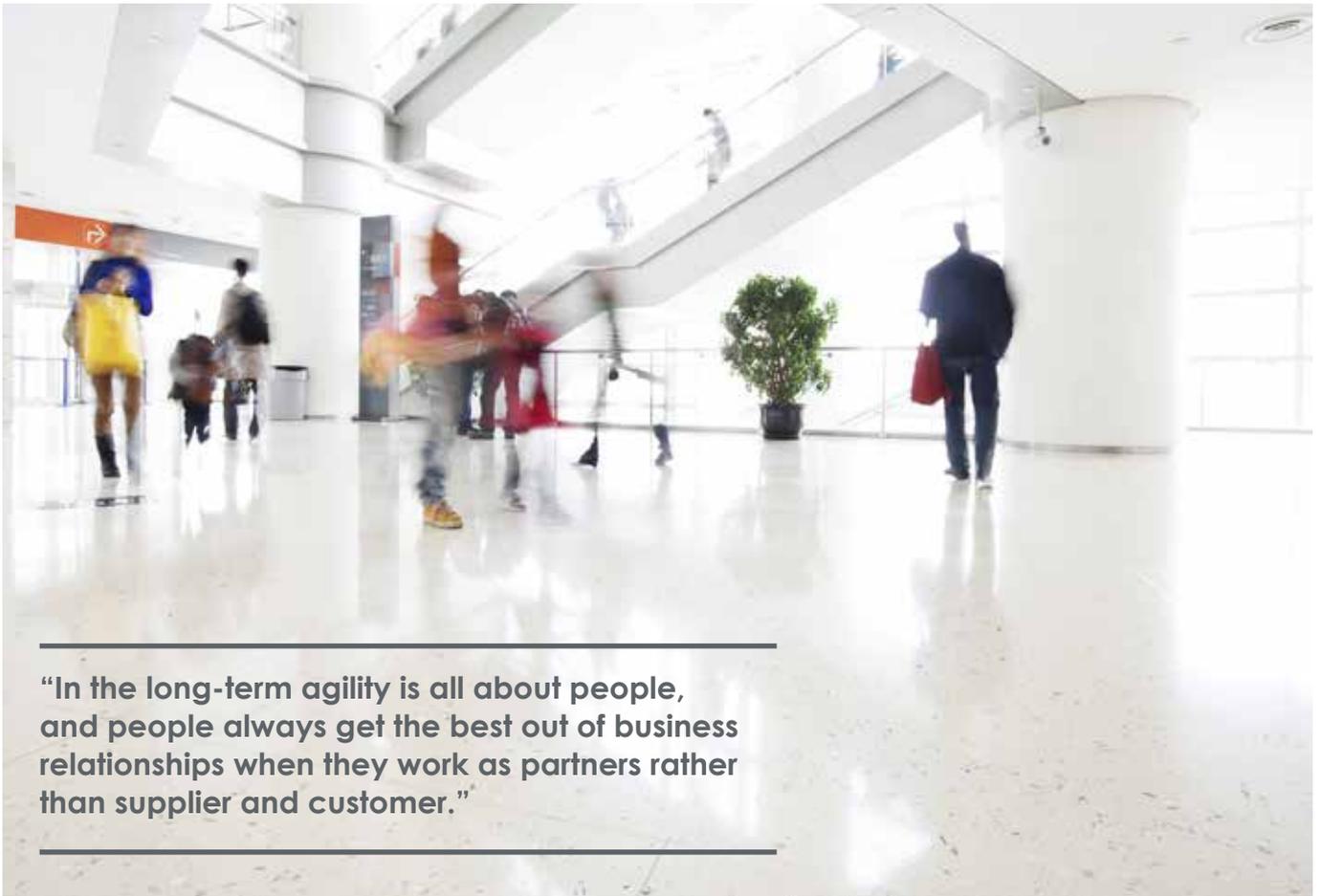
Agile workforces also require much more hand-holding. Most employees manage to work out where everything is in a building after a few days working there, but if, for example, they only visit a large HQ site infrequently they will need to be helped to ensure they don't get lost!

In addition, by using a building intelligently it is possible to save costs, while dramatically improving the quality of life of those for whom it is 'the office'. There's a highly illuminating quote in our video tour of the PwC building from a recently-joined graduate, who commented that on walking into the building for her first interview her immediate reaction was "I want to work here!"

Like many organisations, PwC is keen to recruit the cream of the UK's graduate population, and is able to demonstrate how valuable the quality of the workplace environment is to them.

Building flexibility into contracts

Agile working is all about flexibility, yet many contracts for the operation of a building and its facilities are let on a five or even seven-year basis. Clearly in a period of societal and structural change, fixed contracts are not practical, especially if there is a very real chance that the premises being managed under a contract are likely to be significantly remodelled or even vacated during the life of the contract.



“In the long-term agility is all about people, and people always get the best out of business relationships when they work as partners rather than supplier and customer.”

The MITIE research identified a strong preference among estates and property directors to avoid long-term commitments, with many saying they have to think seriously about entering a lease longer than three or five years at most. Yet despite this background many of the tender invitations we see at MITIE are for five or seven years, with three year contracts now accounting for around a quarter of ITTs, a similar percentage for five year terms.

So despite greater uncertainty in the property market, it seems that FM managers are trying to tie down their costs for a longer period.

One way of doing this successfully is to agree longer-term contracts that have appropriate allowances built in to take into account significant organisational changes, such as a decision to consolidate properties. This would allow both parties to enjoy a measure of confidence in the future relationship, yet still allow the client the freedom to take major decisions that reflect corporate and societal changes.

Another trend that the MITIE research identified is that in response to the need for increased flexibility there is a growing preference for services contracts to be let based on outcomes rather than traditional KPIs and SLAs. This is manifesting itself in much less lengthy procurements, and tender documents that sum up the client's expectations from the service rather than measuring the minutiae of how often a service is delivered.

This kind of contract opens up opportunities to reflect the agility of the client business with a much more agile contract approach that is dedicated to ensuring the success of the client's business, and often sees opportunities for gain/share and a much more partnership-focused approach.

In the long-term agility is all about people, and people always get the best out of business relationships when they work as partners rather than supplier and customer.

Conclusion

Agile working is here to stay. It provides a foundation for long-term organisational success while simultaneously improving staff motivation and productivity, yet also delivering substantial savings in operational costs to the enterprise.

But while agility does herald a brave new world for both organisations and their employees, its adoption is being held up by concerns about loss of productivity and management control over people. In reality, with a properly managed and executed plan, the opposite is the case.

Where companies are auditing the results of moving to more agile environments, we not only see significant savings to property budgets – as much as 35% from the reduction in corporate footprints – but productivity increases comfortably, breaching double figures.

Above all, the ratings that show the most dramatic improvements are those that affect staff. We consistently see employee satisfaction scores improving by 20% or more, which in turn is reflected in reduced staff churn, and better retention. These factors themselves also pay a significant return to the business, not just from retaining talent and improving staff's feeling of belonging to a community of shared endeavour, but also through reducing the costs of recruiting and employing staff.

Making the move to agility calls for a top-down approach from the business – everyone needs to be involved, but also aware that the enterprise's senior managers are leading from the front. If that means that the board have to set the tone by being the first to give up the executive floor, then what better example to show the rest of their colleagues?

As Steve Jobs stood down from the stage in San Francisco in January 2001 having just launched the first iPad, he turned to the assembled backstage crew and commented "In five years, everything we do today will be done different."

We're just three years on from that prediction and the rate of change is increasing. Today around 25% of companies have implemented agile environments, but latest figures from the CBI suggest that by the end of the second decade of the century, that figure will be close to 90%.

It is only fitting that the final words in this guide come from Paul Harrington at PwC: "Clients coming into the building recognise that we're doing things differently, we're doing things intelligently, and we're doing things more innovatively, so it's a value-add to the business. It just makes us a smarter organisation."

Useful links for further information

CBI's 2011 Employment Trends Survey:

http://www.cbi.org.uk/media/955608/2011.06-navigating_choppy_waters_-_employment_trends_survey.pdf

Agile Future Forum:

<http://www.agilefutureforum.co.uk>

PwC 7 More London Video:

www.mitie.com/PwC

US retail store sales performance:

/sq. ft. <http://www.asymco.com/2012/04/18/apple-stores-have-seventeen-times-better-performance-than-the-average-retailer/>

For more information on MITIE's research, or to have your say, visit:

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