



## THE WORKPLACE OF THE FUTURE SHAPED BY THE TECHNOLOGY OF TODAY

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### EXECUTIVE SUMMARY

- Collaboration and mobile workstyles are becoming more common, with the workforce driving this change.
- Technology advancements are one of the most significant factors driving this change, with often simple technology changes significantly increasing the mobility of employees.
- The importance of technology is also driven by the need to recruit and retain staff, particularly well-qualified young talent from the new “connected” generation.
- Real estate will need to adapt to the workforce’s constantly shifting requirements, and we expect significant changes to real estate strategies of the future.

### INTRODUCTION

According to Cisco Global trends report 2010, three in five workers “would choose jobs that were lower paying but had leniency in working outside of the office”. We are seeing a change in the belief that productive work can only take place from within the physical office. The emphasis on mobile yet collaborative workstyles is a trend on an upward trajectory, with many of the workforce driving this change and believing that increased mobility and flexibility creates a work environment that is as productive, if not more so, than the traditional office environment. Hardly something any corporation would be wise to ignore.

Our work with companies looking to capitalize on this trend shows that simple technology deployments, including wifi-enabled offices, secure remote access and instant messaging services, can all improve the levels of satisfaction and productivity in the workforce. In many cases the introduction of this technology demonstrates that companies are willing to embrace workstyles that have already existed on an ad-hoc basis for many years. To demonstrate the already-changing tide, statistics show that there will be over one billion mobile workers by the end of 2011, with a 20% increase in mobile working year on year since 2005 (International Data Corporation, 2008).

“Between the dawn of civilization and 2003, there were just five exabytes of information created. That much information is now created every two days.”

Eric Schmidt, Google 2010

### WORKPLACE TRENDS

The trend towards mobility is in part influenced by the huge increase in technological capability, and spurred on by the demands of the changing workforce demographic. The “connected” generation is now in charge, with individuals that have grown up surrounded by technology and choice now taking their place in the management structures. These people recognize that work means “what you do, not where you go,” and are willing to embrace the tools which will allow the most appropriate type of work in the most appropriate place and time.

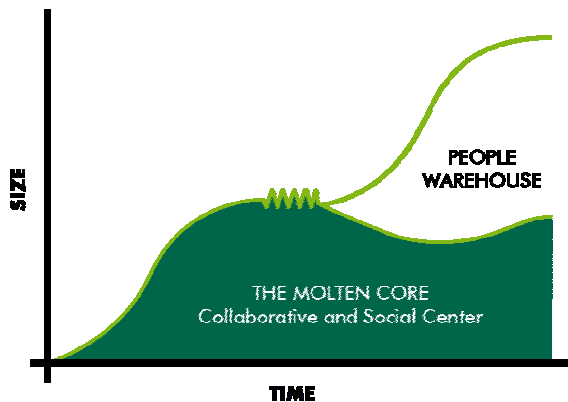
Instantaneous connectivity with the virtual world, accessed by the physical world symbiotically is high on the agenda for the “connected” generation. Cloud computing offers the ability to access software or information that can be delivered on demand, over the internet and without the need to store it locally. With the rise and cultural infiltration of social networking, the workforce assumption of personal connectivity, in any place and at any time, has a direct influence on connectivity within the workplace. Those corporations that recognize technology as a factor within their current and emerging workforce will offer a competitive advantage for talent attraction.

## THE FUTURE OF REAL ESTATE IN THE CONNECTED GENERATION

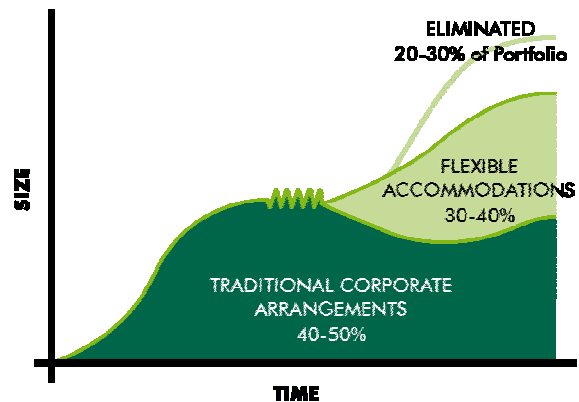
The traditional growth path of a corporation is typified by Figure 1. Our expectation of the future is that space will return to supporting workstyles rather than dictating them. Rather than just housing desks, space can be flexibly occupied in ways that suit the ever-changing requirements.

We would not expect real estate to become redundant. Indeed, our clients point to the benefits of having a company “core” which provides space to collaborate, socialize and become part of the family. However, a new “mantle” of space will exist, likely on a smaller scale to the vast offices of today, which provide space to support a majority mobile workforce. The traditional approach to owning or leasing will be unlikely to change at a macro level. However, as flexibility, due to business requirements and employee preference, becomes the key driver, occupier demand will encourage a supply chain model in which offices become like hotels, with pay-on-demand services. At present there is not the scale of product in this model to serve the potential demand and this is not simply serviced offices on a large scale. We believe that it will not be long before the market recognizes the value of this segment and crafts a variety of products to meet the various business environment demands. Watch this space.

**Figure 1: Traditional Current Portfolio State**



**Figure 2: Predicted Portfolio State**



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