



Not So Quiet on this Western Front

Western Australia now has one of the fastest population growth rates in Australia. Bianca Frost has investigated how this has impacted on FM.

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Advanced Notice

By Andrew Mawson



How do you get thousands of people to change they way work? Workplace consultant Andrew Mawson shares tips from his company's recent work on some of Europe's largest flexible or advanced working projects.

Asking several thousand people to change the way they work to take on advanced working is a big ask. But that's what some major organisations have been doing recently as they have adopted advanced working to improve their business performance.

Advanced working is all about recognising that people can (and do) work in myriad different places and times both in and out of the office. It's about re-setting workplace arrangements for a modern world where assets are used to their full and where people have the tools to allow them to be as efficient as they can be.

The benefits of advanced working are well documented and include: reductions in space between 20-30 per cent; improved employee effectiveness; zero churn costs; minimal swing space requirement; work life balance; reduced travel; lower carbon footprint; improved team work; ease of setting up cross-functional teams; and improved relationships.

To introduce advanced working all you have to do is to work out the best new working arrangements for the organisation and the individual, make sure the space and technology infrastructure will support mobility in and out of the office and then take people with you on a 'thought journey' where every one of the several thousand people in the organisation have the chance to get comfortable with the changes. Simple right?

Although advanced working is a relatively straightforward idea, when people have fixed ideas about work and 'their workplace', and have grown up in a world where the higher you get in status terms, the more you get in facilities terms, it takes quite a lot of energy, influence and power to change

behaviours and attitudes. Let's face it people have been doing the nine to five in the office and I have 'my desk' routine for well over a 100 years. It shouldn't come as a surprise that people need some help in coming to terms with what is for some a very significant change.

Let's say you are the head of FM or real estate for a large organisation and you have a desire to instil more modern workplace and ways of working. The first thing you need to do is find an opportunity. These usually come from the following scenarios:

- The acquisition of a new building or the refurbishment of additional premises
- The desire to rationalise space, sometimes as a result of a merger, takeover or 'downsizing'
- Running out of space due to business growth
- Desire to change the culture of the business

For some FMs it's much easier to do things the way they have always been done. The idea of trying to convince the board and several thousand people to change is, for some FMs, just too scary. But if you want to demonstrate that you are an innovative leader trying to contribute from your discipline and can put FM on the map in your organisation, then here is your chance.

You need a spark to light the bonfire. In order to get senior people interested so that they can release funds and time to investigate the subject fully, you need an outline business case that sets

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European FM Insight welcomes Facto Magazine and LGM Magazin as EFMI's latest publications partners.



Facto magazine is a professional magazine which provides information about facility management and professional purchasing. The main target audience of the magazine are professionals involved in providing support services within organizations. In particular, facility managers, heads of departments in the civil service as well as buyers of medium sized and large organizations in business services, governments, banks, insurance companies and with non profit organizations - www.factomagazine.nl.



LGM Magazin is the first Hungarian Publication Partner to join EuroFM. LGM Magazin publishes 6 issues per year, encompassing both FM and PM subject areas. Their readership consists of senior business professionals, company directors and board members: - www.lgm-online.hu

Advanced Notice

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out in rough terms the scale of the opportunity and the benefits to the organisation. This must 'tune in' and relate to the current challenges the business unit faces if it is to be compelling. It must also give some indication of how long the payback will take. Although cost is an important feature in this business case, issues such as productivity, culture, environment and agility may sway some team members.

Find the enthusiasts with power

But of course even the best outline business case is hopeless without someone to sell it for you in the board room and argue the case when you've done your presentation, so you need to find someone at senior level for whom it makes sense and who will spend time to understand the subtleties and arguments and be an advocate for your cause.

As well as FM, the other key players in applying advanced working are in the IT and HR functions. They own a substantial part of the infrastructure needed to make advanced working happen. So try to build a coalition between the functions so that you can understand each others strategies and priorities and work out how best to influence them. Do this early in your process, but don't stop if you find that they have other priorities. If you can come up with a shared strategy which you and they can share and present, you will be onto a winner

Secure leaders' commitment

Imagine that you are on the board and you have a unit of 5,000 people. Your unit has been asked to make the transition to advanced working by the head of FM as part of a relocation to a new building. You and your team are working long and hard already to deliver today's business. You have plenty on your plate already without embarking on a major culture change programme. Sometimes, while the cultural and operational benefits are on offer to the user unit, the financial benefit of reduced space costs fall to the central real estate and FM function. So you are going to need not only a compelling case to convince those with the purse strings to part with money to create the right infrastructure, you are also going to need to present a compelling case to the leaders of the unit to which you plan to introduce the concept. They will have different styles, experiences and interest in the subject. They will need to dedicate time and energy to getting their people to work differently, so you've got to tune in to the things they are interested in.

A visit paints a million words

Not only will you have to find the benefits of advanced working that will make a difference to them and their units, you will also have to help the leaders to understand how it really works. You can talk to them until you

are blue in the face, but nothing is better than arranging a visit to an organisation that has applied advanced working on a large scale. It helps to explain the subject, provides evidence that it works and give some re-assurance that it can be done.

Dispel misconceptions

Sadly, senior people have as many misconceptions about advanced working concepts as the rest of the population. The only difference is that they have more power and often their ideas and beliefs become enshrined in 'law'. Old fashioned ideas will prevail unless they are challenged and corrected, but who is brave enough to do that? Have you ever tried to challenge a senior business leader in a public forum... not a good idea. Much better to try to organise one-to-ones where you might be able to put the other view. As a consultant, slightly immune from the corporate power hierarchy and with external experience it's sometimes easier to enter into a challenging debate with a business leader. You might lose the account, but you won't lose your job.

Governance

The aggregation of power and the gaining of a shared understanding and agreement is critical if you are going to be able to implement advanced working across a large organisation. Consistency and fairness of treatment is vital if you are going to avoid tensions. If one unit is doing something different to another or if one manager is interpreting the protocols differently you can expect people to express indignation or to make similar interpretations. So setting up a steering group chaired by a senior leader and made up of powerful business leaders from the units to be involved is the first step. Then similarly setting up a group from within each unit you plan to implement in and finally to recruit change agents who can work with you to deliver the help their colleagues to make sense of the change for themselves.

Pilots

It's unwise to apply advanced working for the first time in your organisation on a large scale without first having piloted the concept somewhere on a small scale. Why? Because until you do you will have little idea of the attitudinal and behavioural challenges ahead; you'll have little by way of experience and arguments to convince others to change; and because you will not have clarity about what you are offering and the 'components' that are needed to deliver.

It's inevitable, regardless of how many times as a consultant you have implemented advanced working, organisations need to learn for themselves the intricacies of implementing advanced working. In practice people want to see it working somewhere in the organisation before they'll trust you to apply it on a large scale. So pilots are a key component.

Not only do they give you a chance to learn, modify and monitor, but it's only through piloting that you'll be in a position to develop what we call 'The kit of parts' in other words all the policies, protocols, systems, spaces components and change processes needed to make it happen smoothly. The devil, I'm afraid, is right down in the detail.

Get clear about the proposition

Advanced Working is often misunderstood or open to interpretation. Everyone has their own idea about what it is and what it isn't. One group will think it's all about working from home, another will think it's about hot desking, yet another will think it's about flexitime. The proposition should explain what advanced working means in practice; what is mandatory and optional; the rules and protocols and where they apply; and the supporting technology.

Get people on side

Getting the top leadership team on side is key to getting the right momentum. The way to do this is through visits, videos, one-to-ones to get consistency of understanding. Using a formal session to present and discuss the proposition creates a vehicle for dialogue which in turn aids understanding that leads on to commitment. The key however is finding the benefits that will convince the team to give you a yes vote and then nurture people on the top leadership team who will hold the torch for advanced working.

Project teams are generally made up of professionals who have knowledge about their specific areas of expertise and have delivered new buildings and refurbishments many times over. So they all come with their own very strong view of how offices should be designed and how things should be done.

With advanced working we have a whole set of new things for the project team to consider in relation to the capacity of the building, the sequencing of activities in relation to the change process, the design of space and the interlinking of each of the work streams to each other, the move management sequence and the consistent capture of information. But underpinning all that, the project team needs to understand why they might need to re-think the way they deliver

projects, so some serious work needs to be done at the front end on any new project to ensure that the project team get it, buy into the ideas and in turn consider how they need to deliver their contribution as a team.

Don't forget the people

If there are 5,000 people in scope for the project, we need to make sure that all 5,000 people have been engaged in a dialogue so they really understand what it's all about and can make sense of it and become comfortable to make the shift in behaviour needed. They have to re-learn the way to work.

To make this happen you need consistency of message, consistency of material and consistency of style and approach. We've found that the way to do this is through a network of influential, articulate change agents recruited by the steering groups and trained to be able to work out how advanced working will be applied to their group and to be effective in dealing with the engagement with their colleagues. The objective is to get 80 per cent of people ready for the change so that when they eventually start the advanced working people wonder what all the fuss was about.

It's not all over once doors open

When you move in to the new space or when you switch the booking system on is not the end of the change process but the beginning of the second phase. Sadly some people will not have been entirely engaged through the process and of course you will have new joiners who won't have had any exposure to the ideas and solutions. So the change process needs to keep going until the change has become a natural part of business as usual.

There's a need to be continual monitored through the early days to make sure sharing ratios (the relationship between the number of people in a team and the number of spaces they have been allocated) are effective and that people are conforming with protocols that have been agreed for work and use of space. So two years later you've managed to bring about an evolution in the space, technology and people from the old world to the new. Your influence has brought about a change for everyone in the organisation and it's all gone smoothly. What a great feeling, you've made a difference - isn't that what great FM is all about?

WORKSTATION BOOKING SYSTEM

When you apply advanced working at scale our experience is that you need to consider using a workstation booking system so that many people book the space they need when they are in the office. Why, well because it helps to give people some re-assurance that they will have a desk about where they be on a given day, it gives people a tool for networking and to enable them to find colleagues, but also because you need some better information about the use of space. So the issue of booking needs to be discussed early in the process along with a discussion on the regime's to be used including permissions, booking window, booking period, information flows and integration with other systems.

Andrew Mawson is managing director of Advanced Workplace Associates

Welcome to the Wiki Workspace

By Nancy Johnson Sanquist and Christina Dorfman

What do the Pat Metheny group and a Jackson Pollack painting have in common with the new workplace of the future? According to Don Tapscott, author and business innovator, leadership will be concerned with orchestrating amorphous networks of employees with particular skill sets who come together for a project, disband and go on to other work when it is over-much like a jazz band. The organizational distrupture will look more like an abstract expressionist painting than like neat little boxes cascading down in an orderly organizational chart. Welcome to the wiki workspace.

"This new promise of ease of collaboration is that peer production will harness human skills, ingenuity and intelligence more efficiently and effectively than anything we have witnessed previously," said Tapscott. He has coined the phenomenon 'Wikinomics,' based on openness, peering, sharing and acting globally.

One of the most interesting trends in the wiki workspace is the new ability to enable greater collaboration between individuals in this global wireless mobile world. In the process, the value of human capital is changing, as is how we invest in it and organize individuals in the non-hierarchy of the new business environment. These are exactly what we are beginning to see evidence of in corporate real estate (CRE) and facility management. The emergence of the wiki workspace and the four principles as defined by Tapscott are changing the way we plan, design, manage and operate in both real and virtual spaces.

The effect of mobile technologies

Organizations are constantly adapting to changes in the world-particularly the introduction and adoption of new technologies, management styles, organizational

structures, work processes and workplaces. Just look at the effect that mobile technologies and the Internet have had on how we work together. They have minimized the carefully constructed, unidirectional, traditional hierarchies and control management styles. They have also changed the ways in which we work-as decisions now often come from the bottom up. We can collaborate more easily across time zones and borders, in any place we find more convenient-in the office, a hotel lobby or an airport lounge. Our status is now determined not by our title but by the extant collaborative network of professionals, regardless of whether they come from our private Rolodex or are posted online for all to see on LinkedIn-one of today's many professional and social networking sites. The old enterprise is morphing into the new socialprise right before our eyes. What we once predicted is now here-the lean and agile workplace¹.

An open sharing of information

Being open is a rather new phenomenon in the corporate lexicon. The most treasured employees used to be the in-house staff and their work was augmented by outside contracted staff.

The practice of outsourcing can be traced back to the military but it started in the 1980s when Kodak delegated its IT operations to IBM. Twenty years later, it is extremely difficult to tell who is the corporate staff and who is the outside vendor, as the practice of partnering has allowed for more open sharing of information in both CRE and facility management. Even the last bastion of in-house work, portfolio strategy, is now being done with the assistance of contracted real estate consultants and architectural firms. This is evident in the work that firms like NELSON and CB Richard Ellis are doing for many Fortune 500 organizations. People-both internal and external-to the organization, are requesting more visibility to the business and more empowerment and independence to make decisions that foster the sense of community.

New sources of innovation have also appeared outside the corridors of an organization's research and development departments with "new idea-agoras," which are brokering solutions to problems with monetary rewards going to the best idea. Beginning with the scientific community, problems are beginning to surface that will effect the built environment. Recently, a company posted an engineering query on www.Innocentive.com that offered US\$50,000 for a new method to produce lightweight tiles. We believe this is only the beginning of postings looking for new energy efficiency methods and systems, new furniture designs and even new operational technologies.

Even new designs for places of work reflect this new attitude toward openness. To reflect Bank of America's values as a company and its role in the community, the firm ensured that the design of its new New York highrise was as unobstructed as possible. As you enter the ground floor on Eighth Avenue, you can see straight through the building to The Times Center at the back. On the floors above, only 10 percent of the offices are closed with the rest in open plan, which is meant to encourage collaboration on the active newsroom floors².

This aspect of extreme transparency is also critical in the BMW manufacturing facility in Leipzig, Germany, designed by Zaha Hadid. Conveyor belts with unfinished auto bodies are seen parading above workers' heads-whether they are lurching in the cafeteria or working at their desks. This ensures that no one ever forgets what they are there to do³.

Collaboration through peering

Peering refers to people having the same status as one another and sharing information. The Open Standards Consortium for Real Estate (OSCRE) serves as a perfect example of peering. In this group, corporate, government and institutional CRE and facility management representatives come together to work with real estate brokers, architects, vendors, outsourcers and industry professional groups to create standards and share knowledge and experiences with one another.

Within corporations, collaboration is happening in a more cross-functional approach. CRE and facility management groups are working closer with human resources and information technology-who are being brought together for many reasons. HR worries about recruitment and retention and turns to the CRE and facility management groups to ensure that the workplace is one that will attract and help retain staff. These groups are now collaborating on new ways of working as they launch alternative officing initiatives where employees have more of a choice of where and when they work. IT and CRE and facility management are collaborating on new technologies for these digital natives who may not have to take up costly real estate space as they are mobile 24/7. They are also collaborating on technologies that make new buildings smart machines for more productive work and better performance.

Introducing socialprise applications

Facebook and MySpace have had a profound effect on collaboration in the social world. They have now found their match on the corporate side with new socialprise applications. This new online phenomenon is actually a mixture-Web applications that combine data from more than one source into a single integrated tool-of social networking and enterprise applications. Employees can find colleagues, previous coworkers and friends on sites such as LinkedIn. Microsoft's SharePoint is another application that allows employees to collaborate with fellow team members across multiple office sites and work with shared documents, manage projects and find people with particular expertise or specific content across the enterprise.

Wikis and blogs have become ubiquitous as collaboration mediums. A blog can oftentimes be considered the world's biggest coffee house. Blogs have changed the concept of journalism. Everyone can be a reporter simply by accessing the Internet. Blogs

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Welcome to the Wiki Workspace

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are even searchable thanks to services like Technorati and IceRocket. Another perfect example of mass collaboration is Wikipedia, which runs on a wiki and allows users to easily add content to Web pages. Both blogs and wikis are becoming common tools in corporate real estate and facility management.

We began to develop alternative work environments in the early '90s. Today, most companies have multiple ways their employees can work out of the office and yet still provide places (headquarters, satellite offices, pay-for-use facilities) where employees can convene to work together. When you stay at a hotel in any major business center, you can share your thoughts and ideas with colleagues around the globe through technology. Hewlett Packard has installed its telepresence product in the Marriott hotel chain's major locations, allowing you to look across a table and virtually experience collaboration in real time with other participants. This could not have come at a better time.

Acting globally

When talking about collaboration, it refers to sharing information between remote locations around the world. OSCRE has joined forces with PISCES (Property Information Systems Common Exchange Standards) in Europe to ensure the real estate standards being developed can be used anywhere. Integrated Workplace Management Systems need to be both local and global. Users want to view their language as they use the IWMS system, whether in Canadian French, Polish or Russian. The Japanese facility manager measures Tokyo space in tsubos, the British in square meters and the Americans in square feet. As a result, reports on the global portfolio have to be automatically converted to the appropriate unit of measurement and totals calculated.

But why?

Now you are thinking, why do I want to explore the world of the wiki workspace? The benefits are:

- Reduced costs (less travel, reduced cycle time and real estate, faster time to market)
- Improved customer satisfaction

- More efficient and effective project work
 - Improved innovation
 - More efficient collaboration around the world
 - Better, more streamlined communication across the organization
 - Creation of a culture of continuous improvement
 - More lean management of CRE and facility management
 - Improved professional development
- Perhaps one of the biggest benefits—and one for which we are all searching—is finally achieving a better work/life balance. Welcome to the wiki workspace.

¹See the MIT and Gartner study of 2002, *The Agile Workplace*.

²See http://archrecord.construction.com/innovation/2_Features/0411Green.asp

³See <http://archrecord.construction.com/projects/portfolio/archives/0508BMW.asp>

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No demand for EU standards for Facility Management

By C. Gerdman, C. Lindholm and F. Södergren

The introduction of new, common European standards in the area of Facility Management and how it affects the FM industry has been assessed in a Thesis in cooperation with FM Konsulterna. The Swedish market has shown little interest and most actors are unaware of what the standards even entail.

Despite the fact that there are many advantages associated with introducing new, common European standards (EN 15221-1:2006 & EN 15221-2:2006) within Facility Management, it does not seem to have any direct impact. The interviews on which the Thesis work was based show that the major actors within the sector currently have no interest in establishing a common standard for the FM area.

Facility management

Integration of processes within an organisation to maintain and develop the agreed services which support and improve the effectiveness of its primary activities.

Standard: EN 15221-1:2006

The advantages of the European standards are that they create a tool that is easy to use. The sector-specific

document is currently far too complicated and unclear for the uninitiated. The European standards create a more coherent documentation. This should increase the present client base by making it easier to really understand what FM represents.

Another advantage of introducing European standards is that they establish a common language for the FM sector. This should entail that the sector moves in the same direction as many other sectors within the European Union, promoting cooperation and competition across national borders.

Common terms and definitions in the FM area throughout Europe should provide greater opportunities for clients and suppliers to understand each other and increase understanding about what is included in an FM delivery. The result for the client/purchaser should in theory be to generate more offers and thus lower costs for the supplied service. In Germany alone there is a

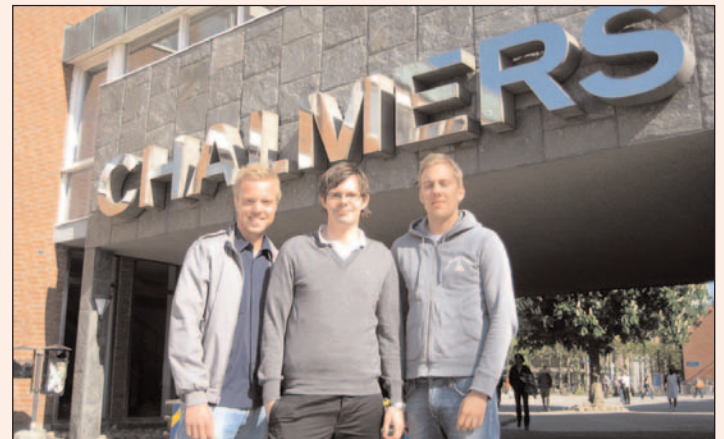
large number of experienced and competent service providers who are not currently represented on the Swedish market and who may become competing actors in the future.

Bearing in mind that the present service providers' primary sales argument is to increase efficiency for the purchaser, the sector should welcome increased competition. This should indirectly mean that the purchaser can be offered services that can create maximum efficiency.

With common standards within large parts of Europe, the individual actor will have a larger market to work in. At the same time, the client base can be increased due to the fact that there will be a reduction in the various

descriptions of FM agreements, resulting in more uniform descriptions. The introduction of standards will mean that the definition of FM will also become more uniform and coherent, both in Sweden and throughout the EU.

The future now looks bright, with the market delivering high growth rates and good profits. But if this is to be developed, the sector must incorporate the basic principles of the common European standards into their own businesses. In order for this to occur however, a comprehensive dissemination of information must be implemented by the relevant organisations within the sector.



The Thesis was performed at CHALMERS University of Technology for the programme Affärsutveckling och Entreprenörskap inom byggt teknik (Business development and entrepreneurship in building technology); C. Gerdman, C. Lindholm & F. Södergren.



Usability of Workplaces

By Göran Lindahl

Issues related to building performance have always been of interest to clients, contractors and consultants alike. In the field of FM the performance issue is constantly in focus, do the facilities support the desired performance? Does the management of the facilities achieve the desired effects? The CIB Workgroup W111 on Usability addresses this issue based on a building-in-use approach. The focus are workplaces and how the concept of usability can be adopted to develop better understanding of the user experience in organisational settings.

The workgroup have had workshops and seminars as a part of the EuroFM conferences Research seminars. Seminars have been held in Frankfurt, Zurich and Manchester and preparations for Amsterdam in 2009 are underway. The workgroup is now preparing for its third phase after two phases, phase 1 from 2002 to 2005 and phase two from 2006 to 2008.

The usability concept

Often the building performance is related to technical, functional and operational aspects. However, more recently issues of functionality, serviceability and accessibility have been addressed to better understand how occupying organisations view buildings from the perspective of them as using organisations. Simply put - how usable they find the facilities they use.

Usability is one of the most important, but often neglected, aspects of buildings and workplaces. It is easily hidden behind easy to measure factors such as e.g. cost of various services per square meters or simple indexes of satisfaction related to air or light qualities. Not that these aspects are unimportant but to better understand the users experience of using buildings and facilities more developed methods and models are needed. Nor does the availability of certain functions in the facilities necessarily result in the desired effects of use.

The work group, and the network it is based on, aims to understand and apply the concept of usability and by doing so contribute to better understanding of the user experience of facilities. Previous research in the fields of IT and engineering forms one of the starting points. A dilemma is that usability is on one hand a straightforward word describing the experience of use of something and on the other hand carries with a much more complex set of determining factors.

The definition of usability encompasses all aspects of the user's experience when using a product, or as in this case, a facility. As a starting point the workgroup choose to base the work

on the international standard that states three key factors; effectiveness, efficiency and satisfaction. These three factors formed the starting point and guided the first studies that focussed the user point of view. It was found that usability was not tied to a construction project, the definition of function, but rather a process of use that is related to time, place and context. The findings pointed to usability as a phenomena characterized by the users perception, the facility characteristics and function and the situation in which it is being used. Further studies brought in the aspects of situation and culture as aspects affecting the experience of use.

The usability work group and what has been done

The work of the work group on usability is characterized by a programme of action research built around a series of in depth case studies and workshops. These are done in cooperation with the organisations that occupy the facilities that are studied. The work is not focussing the workspaces as such, how the activities are performed/carried out in the workspaces. The approach is activity based and has the aim to understand how and why a facility is considered usable and why another is not - or rather, less usable - from a user perspective. The work group has a facility in use perspective rather than a facility function perspective.

Several groups of researchers and practitioners from different countries have participated in the workgroup activities. UK has been represented by Salford University with a case at NCR, Powergen and Royal Bank of Scotland as partners. From Sweden Chalmers University of Technology took part with a case at Örebro University Hospital, Finland is represented by VTT in collaboration with Turku Polytechnic and has presented case studies of Business Centres and Shopping Centres. Norway is represented by NTNU and Sintef and has contributed with a case of university facilities together with their partner Statsbygg. Ecole d'espace de

travail, la Vilette in Paris, France took part with a case study at Renault. In Hong Kong the Hong Kong Polytechnic took part with a case at Pamela Youde Eastern Hospital. France. From Denmark the Danish Technical University participated with a case study at DR-byen (Danish Broadcasting Association).

Each of the participating countries presents a case that is examined and discussed in a workshop. The basis of the case is an evaluation done by the researchers in cooperation with their industrial partner. The evaluation aims to describe the actions taken, decision making processes and qualities strived for in the process of designing and making the workplace that has been studied. The study also comprises a review of the usability of the studied facility. The sources of the study are documents, interviews and observations. A common method used are "walk-throughs" that is a way of assembling comments on usability in a structured way. It is a qualitative method to assess different aspects of facilities by using different stakeholders that during a "walk-through" comment on qualities of the facilities in use. The results from the study is then presented at the workshop and challenged and discussed by the other researchers. The workshop results complement the report draft and is presented in the final case study report as well as fed into the continuing development of methods, models and theories in the workgroup.

Usability and the FM practitioner

For the FM practitioner the concept of usability is relevant to consider when supporting organisational performance. It is a way of focussing the effects of what is delivered rather than how and what is delivered. This clearly brings issues of value and performance into FM and assumes a process of knowledge development. There is a risk of a gap of knowledge between the client and the FM professional if the process of determining what is usable in an organisation is not done in an

interactive way where the starting point is the user's need of a usable work place. The different professionals active in the design of a facility each deliver their best part, but for the user usability is not the sum of the parts but a situation, an organizational setting, where the work activities are being carried out.

The concept of usability brings with it a challenge for the FM practitioner to balance the professional competence with the user's experiences to support organisational development. A process not unaffected by roles, culture and expectation - a process where both users and professionals learn about what really matters.

Further work

Current development concerns development of methods and theories that make it possible to disseminate the results also to a broader field within FM. The workgroup has a clear aim of developing and documenting both its theoretical and practical work. The theoretical development as well as the methodological one has come to a point where statements and definitions of what has been achieved have to be disseminated in a practical, albeit not simplified, way.

The Nordic participants of the workgroup W11 are currently running an EraBuild project together with partners from companies and public clients focussing usability in schools, childcare and shopping centres with the aim of delivering practical tools. At the same time a discussion is underway with OECD regarding possible cooperation. Next status report from the workgroup will be in Amsterdam at next EFCM conference.

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Further reading can be found in CIB Report 316, Usability of Workplaces, Phase 2.

Efficiency		Effectiveness i.e. productivity	Satisfaction i.e. user satisfaction	
Related to organisation	Related to building	Added value	for employee	for customers
<ul style="list-style-type: none"> Production time/cost per unit produced (services or products) development time/cost of new products/ services time/cost because of interruptions due to changes in the use of area 	<ul style="list-style-type: none"> operational cost per sqm sqm per employee the number of users / sqm / h hours in use per day/week time/cost per change in the use of area 	<ul style="list-style-type: none"> increased innovation increased productivity increased flexibility increased communication increased learning/ development of knowledge increased cooperation a more distinct identity and image 	<ul style="list-style-type: none"> experienced well-being efficiency air-quality lighting conditions temperature aesthetical environment image and identity 	<ul style="list-style-type: none"> experienced accessibility image and identity value of products and services service quality

"Tentative model from a Norwegian case study from the report from phase one. Of special interest is the link between organizational and spatial efficiency as well as how to manage the activity approach when facilities are in focus."



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TNT Backs Green Offices

By Gerard Dessing

As part of its commitment to sustainability, over the coming years TNT will be exchanging its existing traditional offices for 'green offices'. An interview with Real Estate director Flip Verwaaijen about his ideas on making the property portfolio greener.

To augment its longstanding policy of social engagement, one and a half years ago the Board of Directors of TNT decided to focus even more actively and prominently on sustainability and corporate social responsibility.

The Planet me project was launched with three main goals. One: measuring and recording CO2 emissions; two: reducing CO2 emissions in a number of areas, such as aviation, lease cars, purchasing and buildings; and three: reducing the CO2 emissions caused by TNT employees in their personal lives.

What causes TNT's CO2 emissions?

aircraft	50%
cars	30%
buildings	20%

As Director of Real Estate, Flip Verwaaijen was given the responsibility for making TNT's property greener. The figures show that there is definitely 'room for improvement' in the area of buildings: 20% of the CO2 emissions caused by TNT are derived from buildings.

Together with his team, Verwaaijen set to work on this 'great challenge'. The constraint was that green action should not cost anything. As Verwaaijen says: 'People often think: acting responsibly is always more expensive. But that's nonsense! It shouldn't cost more: we've imposed this requirement on ourselves.'

Green offices

Verwaaijen decided to start small and focus primarily on the office organisation in the Netherlands, where making the buildings greener would take the form of a newly developed green office concept.

This concept involves creating a new,

challenging work environment, where the principle of sustainability will be pursued wherever possible. This is achieved not only by using smart, innovative techniques that make a building more sustainable, but also by focusing on aspects such as mobility, the geographical distribution of offices, a new way of managing and a new concept of work and workplace.

Mobility

'Making the offices greener is certainly not just about the buildings themselves,' explains Verwaaijen. Issues such as mobility and the geographical distribution of the premises also play a role.

'The clogging of our transportation arteries is caused by all the construction activity in the Netherlands. Models such as the Zuidas development in Amsterdam attract a lot of commuter traffic. Is it then so strange that traffic jams occur? Someone once said: sheep all graze in the same corner of a meadow. Why? Because sheep are a bit stupid, and if they spread out they would be able to eat more. We are the one sheep that looks for another spot, so that we have more to eat. We are not taking the employees to the offices, but the offices to the employees. We are going to use premises that are close to the employees, so that commuter traffic is reduced as far as possible. If colleagues want to meet up with each other, they can arrange meetings at central places outside the rush hour.'

'People often think: acting responsibly is always more expensive. But that's nonsense!'

Working conditions

'To achieve changes in mobility behaviour requires, among other things, a different set of working conditions,' continues the Director of Real Estate.

'Why do you need to have a company car if you can work with taxi-train-taxi arrangements? Or what about park & ride facilities with a folding bicycle for employees? We're not yet applying that sort of thing in a systematic way, but it's definitely something we'll be doing.'

The '9-to-5' mentality also has to go, according to Verwaaijen: 'The future will be about managing by output. The location of the workplace is of secondary importance. Why do you have to be in the office at 8.30 to read your e-mail? You can do that at home or while travelling, so that you can come to the office after the morning rush hour.'

Flexible concept

Flexible workplace concepts will be implemented in the green offices. This



Flip Verwaaijen, Director of Real Estate at TNT: 'Green offices is a project about thinking differently and acting smarter so that on balance you can get more out of your people with less of an impact on the environment.'

will involve drastically scaling back the generous amount of space that TNT employees have had at their disposal up to now (an average of around 26 square metres per workplace).

'If you do that, you have your first savings in CO2, since you will have less area to cool and heat. It's only logical.'

'The introduction of a flexible workplace concept is not new,' admits Verwaaijen, 'but it will nonetheless require a huge culture change within TNT. Most employees think they will be sitting in large open-plan offices with the dreaded American-style cubicles. In order to create trust, we must therefore explain what the new concept definitely is not.'

Consortium

'A special feature of the green office concept is that it was conceived and implemented in conjunction with a consortium,' says Verwaaijen. 'A traditional developer designs a building with a tenant, sells it quickly and is gone. That the operating costs then explode after a period of time will be of no concern to him. We definitely didn't want to be involved with someone like that. Therefore, we sought out a consortium that was prepared to enter into a long-term contract. The Triodos/OVG consortium cannot sell for a period of ten years. In that way you create a joint interest in the smart, sustainable and cost-effective construction, operation and maintenance of buildings.'

Technology

In terms of technology, the new offices are very sustainable. Verwaaijen does not know the details about the installations being placed in the buildings, nor does he find it particularly interesting. What does fascinate him, however, is the overall result.

'We defined our ambitions in advance and then specified them in the contract.'

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organisation	: TNT
core activity	: collecting, sorting and delivering letters, printed material, packages etc.
employees	: 80,000 (worldwide)
section	: Real Estate (16 employees)
real estate (Benelux)	: 1 million m2 (industrial buildings) and 100,000 m2 (office buildings)
number of premises	: 300 (owned) and 400 (rented)
website	: www.tntpost.nl and www.planetme.com

TNT Backs Green Offices

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Criteria to be measured by third parties have also been defined. For instance, we specified a GreenCalc environmental index of 1000. How that score is achieved is not our concern, that's down to the skill and creativity of the consortium.'

Energy generation

A special feature is that the energy for the new offices will be generated on-site. 'This means that the consortium is our energy supplier. We have a price agreement for the energy per square metre per year, for which we pay a fixed amount. This is calculated on the basis of the current energy usage with adjustments for the future situation. If it subsequently turns out that the actual costs are lower than that agreed amount, then the consortium will be making a profit, which is an incentive for them to install energy-efficient systems. But if we exceed that amount, we will have to pay extra. There is a bonus/penalty system in operation which fits in well with our cooperation.'

'We started out by applying the green concept to bricks and mortar, but now we realise it's about much more than that'

There is an understandable reason why it was decided to use new builds for the green offices: the current 'landlords' have little interest in making buildings greener, something that Verwaaijen explains as follows: 'A traditional landlord sees a tenant primarily as a financial product on which he must make a return. Our

request to make the buildings greener did not fit in with that vision.'

70,000 m2

Over the next few years, TNT will be opening seven to eight green offices in the Netherlands with a combined office space of 70,000 m2. Compared to its current office space, this will represent a reduction of 30,000 m2 for TNT.

The first office (15,000 m2, 1000 occupants) will open in Hoofddorp in the spring of 2010. Offices in The Hague and Utrecht are expected to follow shortly thereafter.

Savings

Will the green office concept save money? Verwaaijen thinks so. 'The cost per employee will fall by more than 5%,' he predicts. In addition, the concept should lead to more efficient working and reduced sickness absence.

'In total, we're talking about millions of Euros, also by changing people's behaviour. Think, for instance, of the energy structure. If you realise that energy prices are expected to rise by 10% over the coming years, it's good to know that we will not be affected by that. The energy systems are in the ground, we have fixed depreciation costs. The higher the price of energy becomes, the happier I will be that we have chosen this structure.'

Difficulties

And the most difficult part of the entire process? Verwaaijen makes no bones about it: 'Getting our people on board - that is the biggest challenge. TNT, formerly PTT Post, has been in existence for over 200 years. That means you have to deal with all sorts of traditions, so if you want to change, it requires the necessary effort from your organisation. If you're used to working from 8.30 a.m. to 5 p.m., it's not easy to change that pattern overnight. A conference call every Sunday evening? Not everyone wants to do that. An organisation must prepare its people in advance.'



Artist's impression of the new TNT office in Hoofddorp, the first green office (15,000 m2, 1000 occupants), which will open in spring 2010

Tips

Verwaaijen has three tips for fellow managers who, like TNT, want to make their real estate greener. His first tip is to start with top level management. 'Management must support the direction you're taking, otherwise you'll get nowhere.'

The second tip: move at a fast pace, otherwise the impetus is lost. 'You must say: I want to be sitting in a new green building within three years. People who hear that ambition will first of all tell you that you're crazy. But it can be done. The prerequisite is that you apply very strict management and make stringent agreements with people about what they must do and when.'

For the third tip, Verwaaijen emphasises the need for staff to be involved in the project. 'Ensuring you have the support of your colleagues is of essential importance. Of course, as the manager, you will have to suffer all the bumps and bruises, but when you see the results, you'll be incredibly proud.'

'The beauty of the project is its totality,' says Verwaaijen in conclusion. 'We started out by applying the green concept to bricks and mortar, but now we realise it's about much more than that. It's not about real estate, facility

management, HR or IT. It is a project about thinking differently, acting differently and smarter, so that on balance you get more out of people with less impact on the environment.'

Gerard Dessing is editor in chief of Facto Magazine (www.factomagazine.nl)

SUMMARY

- TNT is taking several measures to achieve CO2-neutral business operations.
- These include modifying its fleet of aircraft, making its fleet of vehicles more environment friendly and also making its office and production buildings much more environmentally friendly.
- The green office concept, which involves constructing seven to eight sustainable buildings spread across the country in conjunction with the Triodos/OVG consortium, will play a major role in this.

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Not So Quiet on this Western Front

By Bianca Frost

Western Australia is experiencing one of the largest population and economic growth rates in the country, placing unprecedented pressure on the state's property, labour and infrastructure. This month, Facility Perspective's Bianca Frost, takes a look at the issues that are impacting FM in Australia's booming golden state.

With its friendly people, sandy beaches, clear skies and endless spaces, Western Australia seems like the perfect place to step-back, wind down and relax. However, the explosive success of the state's mining, mineral and resource boom has set the once sleepy city of Perth and its regional outposts into a frenzy of boom-time prosperity.

The result has been a spectacular surge in economic and population growth that has seen demand outstrip supply across a number of sectors, particularly in the residential, commercial and industrial property markets, and causing an acute shortage of skilled, trade-qualified labour. The challenges this poses to this naturally blessed, resource laden state are significant, but the people of Western Australia are determined to show that these are not their only gifts and are already living up to their state motto, proving that they are indeed The Real Thing.

Western Australia now has one of the fastest population growth rates in Australia. In June 2007, the estimated resident population of Western Australia was over 2.1 million, up from 1.9 million in December 2001. The population in the Peel region and south west of the State has increased by 43 per cent in the past decade alone. The state's quarterly population growth is equal highest with the Northern Territory and well above the national rate. According to the Australian Bureau of Statistics, the largest driver of Western Australia's population growth was overseas migration, followed by local births and interstate migration.

There were 29,700 job vacancies in Western Australia in the August quarter of 2007, 31.8% more than in the same quarter of 2006. The vast majority of vacancies were created in the private sector (31.8%), with public sector vacancies also higher (up 32.2%).

The number of employed persons in Western Australia also rose by 3.1% in the three months to November 2007, although this was a much lower rise than in the three months to August 2007. The deceleration in employment growth was driven solely by lower part-time employment, which declined

slightly over the same period.

The major industries driving Western Australia's employment growth are health and community services, transport/storage and construction, which is up by nearly 10%. While a number of industries recorded falls in employed persons through the year, including retail trade and government administration and defence, the most notable movement among the occupations was a 15.8% rise in employed professionals through the year to November 2007.

It is largely this rise in white collar employment that has put huge pressure on Perth's famously tight commercial property market. Indeed, according to Colliers International's Global Office Real Estate Review 2008, Perth has taken out the top spot for the lowest global market vacancy rate for the second report in a row.

Colliers International Commercial Research Director, Felice Spark, reported that Perth had recorded the lowest vacancy rate in the world, now at 0.5%, while Brisbane has moved up the list to the record the second-lowest vacancy at 0.7%.

The biannual report on 122 office markets across the globe tracks stock levels, new supply under construction, vacancy rates, occupancy costs, capital values and yields.

Ms Spark said the decreasing vacancy rates had clearly delivered a flow-on effect to rental rates for available space in the incredibly tight A-grade market.

"Rents for available A-grade office space in Brisbane are now not only the most expensive in Australia, but they are among the most expensive in the world," Ms Spark said.

Brisbane soared into 14th position globally for A-grade rents at \$1074 per square metre. Perth, in 19th position, has seen rents top \$800sqm, with some arguing that they may well reach \$1000sqm by the end of 2008 as a combined result of the extremely low supply and enormous upward pressure being exerted on rent by demand from expanding businesses.

Lino Iacomella, Policy and Communications Manager at the Property Council of Western Australia, says that demand in the West Australian

property market has been climbing upward over the last two to three years, as a result of the peak in the residential property sector. Driving that demand is a combination of factors including property shortages, the mining and service industry boom and a steep increase in population figures.

"This, of course, is driving up rents. Rents have grown very steadily in WA and they continue to grow from the CBD right through to suburban offices, and through to most other sectors of commercial/industrial property," he said.

"To put this in context, some five years ago, you were looking at around \$250sqm. Currently, that figure has more than trebled."

Richard Kilbane, Development Manager at Hawaiian, describes the current condition of the West Australian commercial property market as a boon for developers and landlords, but warns that the imminent completion of a number of new CBD office projects over the next three to five years should see vacancy rates return closer to historical averages.

"We've recently completed construction on the The Mezz, a neighbourhood shopping centre, The Colonade, a mixed used development, and Telstra Kewdale, an industrial warehouse," said Mr Kilbane.

"Currently under construction we have Bishops See Stage 1 (\$160m end value) and Claremont Quarter shopping centre and apartments (end value \$450m). We are also actively seeking a tenant pre-commitment for Bishops See Stage 2, a 40,000sqm office building with an end value of \$450m plus," he added.

While the completion of new CBD office spaces are expected to ease pressure on commercial tenants, there remains pressure on the State government to incentivise building investment by winding back land and stamp duty tax on new property developments. There is also growing sentiment that the Government needs to accelerate its processing of building applications to ensure that large developments can proceed quickly.

The Property Council of Western Australia, representing members who are primarily property owners, managers and developers, believes that the Government has inadvertently been caught out by a shortage of staff across both its own agencies and a shortage of skilled labour across the economy generally. While this has affected their ability to process development applications, the Property Council has bigger concerns with what it describes as old planning systems that have been caught out by the state's spectacular economic boom. They are calling for more extensive reform in this area, particularly in relation to the role of local government.

Lino Iacomella says that the Property Council supports the introduction of a planning model similar to that used in South Australia where applications are considered by expert panels within local authorities, rather than by elected officials.

"The existing system operates on government elected officials dealing with applications for developments. This system is outdated and has been proven to be inadequate in the current boom," said Mr Iacomella.

"It's all part of the very big issue that has been affecting WA over the last ten years, namely, that our population growth has doubled. The extent of private business investment in WA was totally unanticipated and continues to operate at a very high level."

"It's an issue that both industry and government need to deal with. There are significant reforms required in the processing of applications for developments, and unless there are significant new property supplies made available, the state economy is at risk of not growing to its full potential," he said.

It's not only CBD office space that is in short supply in Western Australia. Vacancies are at record lows right across the commercial sector including retail and industrial. This is attracting significant new interest in commercial property development in Western

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Not So Quiet on this Western Front

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Australia, particularly within the industrial sector which is now described as the hottest part of the market, although investment is still being held back by a backlog of pending building approvals.

While there several large CBD office developments currently under construction, Colliers research found that the scarcity of CBD space and skyrocketing rents in Perth was driving tenants into a strong suburban office market where an estimated 150,000sqm of space is expected to come online in the medium to long term.

Ian Campbell, Director of Office Leasing at Colliers in Perth, says that with new office supply not due to come to market until 2009, the combination of soaring rents and a lack of space in the CBD, together with the challenge of attracting and retaining employees, made Perth's emerging suburban office market a real option.

"Government and consultancy tenants will not be prepared to stay in poor B-grade office space at rents over \$550sqm when they can relocate to a quality new office building in the suburbs," he said.

Mr Campbell said that the flow-on effects of the squeeze on Perth office space could become a real problem for fast-growing WA businesses in the short term.

"If, as a big firm in Perth, you're only offering your employees office space that's very tight or of poor quality you may very well find you become a less-preferred employer in this market.

"The dilemma these businesses are faced with is; do they stay in good quality office accommodation in an attempt to keep quality people, but then risk losing them because they are squeezed for space? It's a very real issue that Perth-based companies will be facing for at least the next 18 months or so," Mr Campbell said.

Ryan Taylor, Senior Consultant for the Property and Facilities Management division of Hays in Perth agrees.

"All the big mining companies have offices all over the CBD, so there is a growing push to bring them all together, but with virtually no space available, there is a growing demand for people to look at space and say, well, you've got such and such square metres, how can you fit more people in?"

"All the feedback that we're getting from the Property Council - and it's regularly front page news here - is just how little commercial space that there is available. It takes years to build these buildings and meanwhile, market demand is simply outstripping supply. As a state, we probably didn't appreciate how quickly the boom

would occur, or how long it would last either," said Mr Taylor.

The chronic supply shortages being experienced in Western Australia don't just stop at building supplies. Mr Taylor points out that in the area of facility and property management, the employment market is being crippled by the opposing expectations of employers and employees.

"Requests from our clients for facility managers still require that they have a trade background in order to manage those accounts, buildings and contracts. However, if you look at what trade-qualified individuals can make on the tools, it's actually a lot more than what FM is able to offer them. In terms of salaries then, those two expectations don't really meet eye to eye.

Mr Taylor explains that most FM contracts are still negotiated for three or four year periods at a time and employer margins and costs are usually built into the beginning of those contracts. However, unprecedented wage growth over the last few years has meant these contract salaries for trade-based work negotiated a few years back are now out of touch with what tradespeople can earn elsewhere in the market.

"This probably defines the challenges facing the FM recruitment market in WA at the moment," Mr Taylor said.

With new employment figures showing an unemployment rate in Perth of only 2.8%, Mr Taylor believes that employers will need to expand their expectations and be more flexible in terms of their expectations from a candidate in terms of background experience. He also advocates a greater engagement of contract and temporary labour.

"Maybe the ideal candidate isn't there today, but there are all these other candidates who could most likely do the role and help employers through," he said.

"Temporary and contract labour is a great way of dealing with periods of high demand. Most other sectors - design, engineering, construction - are very highly developed in that way and are using this to deal with the boom, but FM is not."

Above all, says Mr Taylor, the FM industry needs to look at what it is offering in terms of salaries.

"They are very quickly becoming not competitive and the market is not responding as quickly as other areas of the market have responded. There are reasons for that, but as anyone in FM will tell you, FM is often the last thing to be considered and the first thing to be cut. So, in terms of attracting the right talent, employers are eventually going to have to look at money," Mr Taylor said.

"Last year in our annual wage survey, Hays found that the average wages for FM's in Perth was \$60-80K and we are not expecting much of an increase in this year's survey. When you compare this to mining, which has an average per annum income of \$100K-135K, you can

see why the WA FM industry is struggling to attract the kind of talent it is looking for."

While property and skilled labour supply shortages are a recurrent theme in any discussion of the Western Australian economy at the moment, there are numerous plans afoot to support future growth with a significant expansion of the state's vital infrastructure.

In its 2006-2007 Annual Report, the West Australian Department of Planning and Infrastructure (DPI) announced a slew of new initiatives to address WA's burgeoning land and transport requirements. With the volume of freight in Western Australia expected to increase at about 3.5 per cent per annum, it is predicted that there will be a doubling of freight within the next 20 years. Recent state-wide infrastructure challenges include AusLink road and rail corridors, inclusion of urban congestion as a significant national transport reform and upgrades to regional and metropolitan rail systems.

Other infrastructure developments include the identification of a preferred site for the new Pilbara Port at Ronsard Island, about 85 kilometres west of Port Hedland. New bulk minerals export facilities are also slated for the mid-west region around Geraldton. A project director and project team were appointed to develop a State Agreement that will enable the private sector to develop a deep water port facility at Oakajee and a heavy haulage railway from the Yilgarn minerals area for the export of iron ore.

A number of permits were also granted to enable Fortescue Metals and Pilbara Infrastructure Pty Ltd to construct access roads, telecommunications facilities and a railway line in the general Pilbara and Port Hedland area for the establishment of the FMG Iron Ore export project.

The ongoing expansion to local industry in the Pilbara region and associated population growth, driven by the demand for iron ore and gas, has in turn necessitated the preparation and sale of new land for residential development within the towns of Port Hedland, Karratha and Newman.

Three other corridors, Perth-Albany, Albany-Bunbury and Mid-west-Goldfields which service over 90% of Western Australia's population, have also been earmarked for strategic infrastructure development.

In terms of the built environment, there is growing interest in sustainable developments and in green buildings. Mr Iacomella says that at the moment, most of that interest is rooted in the development sector among property owners who have a long term view with regard to return on investment.

"They want to ensure that the buildings that they construct today and those that they own today, will continue to be in strong demand over the longer term. Tenants, in the current climate, are

more preoccupied with rents and availability of offices or commercial property space. However, there is definitely a growing appreciation among tenants, particularly larger corporate tenants like the big mining companies, of their corporate social responsibility (CSR).

"These tenants are recognizing that the best way of demonstrating this CSR is through the promotion and adoption of more sustainable work practices, including the occupation of green buildings," said Mr Iacomella.

Mr Iacomella says that government departments, in particular, are primary drivers of tenant demand for green buildings.

"In terms of leading by example, they are strong advocates of green buildings, but in the private sector, tenants are quickly catching up," he said.

Richard Kilbane says that besides meeting ABGR Commitment Agreements, property developers are actively responding to the demand for Green Star rated buildings from tenants.

"There is a strong desire for green elements to be included, elements which, for example, result in lower energy and water usage within the building. This is increasingly been seen as a key attraction factor for staff as well, particularly those of Generation Y," said Mr Kilbane.

"In addition, tenants are requiring additional facilities such as bicycle storage and associated showers/change rooms and so on, which all point to a higher emphasis on sustainability," he added.

Existing buildings are also benefiting from the demand for increased energy efficiency and the incorporation of sustainable design features with many now undergoing retro-fits to meet Green Star criteria. However, for property owners, this poses a number of new challenges.

"It is a lot easier to apply green design principles in new buildings but much more difficult and expensive in existing buildings," said Mr Iacomella.

"In Perth, particularly, there are a lot of commercial buildings of about the 20-30 year age bracket where they are due for some major renovation or restoration. Obviously, those owners will be looking at including more green principles. What the Property Council is advocating is for more policies from government that encourage Green Star retro-fitting by including tax incentives for compliant property owners," he said.

It will be interesting to watch how the people of Western Australia manage the many supply challenges that they face in the midst of a resource-led, economic boom that, by all accounts, doesn't look like ending anytime soon. One thing is for sure, all is no longer quiet on this western front.



Driving Change

By Jane Fenwick

Property and FM has been the 'Cinderella' of the manufacturing sector, but those organisations that take control of their property costs can see benefits as Incentive FM has shown Delphi across its European estate.

Under pressure from global competition, soaring costs of raw materials, falling demand, the 'credit crunch' and more, manufacturers are seeking lower costs for the facilities that support their manufacturing activities and people. A finalist in the European FM Awards 2008, Incentive FM has found significant cost reductions while improving efficiency in the European operations of automotive manufacturer, Delphi

Delphi is a leading global supplier of mobile electronics and transportation systems, such as powertrain, safety, steering, thermal, and controls and security systems, electrical/electronic architecture, and in-car entertainment technologies. It supplies car manufacturers across Europe to the rigorous standards of

the automotive sector. Headquartered in Troy, Michigan, Delphi employs about 169,500 people and operates 156 wholly owned manufacturing sites in 34 countries. It's sales were \$22.3bn in 2007.

Delphi has an in-house global facilities organisation (OSG) responsible for real estate, facility and energy management. The UK's Incentive FM has been working with Delphi since 2002 to help improve understanding of its property and FM service standards that support its business, while driving down its costs

The Incentive FM brief included:

- To develop a 'technical reporting line' within Delphi's European management structure that allowed the flow of best practice and commercial arrangements

across its FM operations in Europe.

- To identify and action areas of potential and substantial cost savings across the European estate through improved practices by introducing some standardisation and improving procurement.

Local sourcing

Each country and Delphi location within it had traditionally managed its own facilities sourcing service locally. Outside the UK, the concept of FM was undeveloped as a function. It was part of the responsibilities of the operational managers, and goods and services were procured by the Delphi procurement team who were more familiar with purchasing materials for the manufacturing operations than services. As a result, the management had virtually no visibility on facilities costs site by site, nor of the appropriate standards of service and best practice across the estate.

Incentive FM has undertaken a review of the FM structure in the

majority of Delphi's automotive component manufacturing sites in Romania, the Czech Republic, Slovakia, the UK, Turkey, Morocco, Hungary, Poland, France, Germany, Spain and Portugal. It has presented for example, detailed findings to the Delphi management of five sites in Poland and highlighted the opportunities for restructuring and cost savings in the contract services delivered including catering, M&E and cleaning. It has now implemented a professional FM structure for the Polish operation with Incentive FM staff working alongside Delphi local country managers for a three month period.

Jeremy Waud MD of Incentive FM, explains, " Even in a comparatively low wage economy such as Poland, we are finding cost savings in excess of 20 per cent. This means for Delphi that even after charging UK consultancy rates, there will be a ROI for Poland of around 700 per cent within 12 months for this project."

A procurement strategy has been developed highlighting what facilities

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Gdansk E&S

Driving Change

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costs would be best procured locally, nationally or regionally. Internal/external benchmarks for productivity and frequency of activity were also developed and a programme of country comparisons, reviews and networks developed. This helped to reveal to the country and plant managers the comparisons between sites not only the costs of occupation but also the variation in standards.

The graph (see page 20 looks at the basic comparison of a variety of plants with similar product lines, manufacturing processes and working environments, and from a productivity perspective there should be a clear synergy between them. The performance data as can be seen is anything but similar. Incentive FM used this and other more detailed data to demonstrate to local Delphi managers and buyers that far better value and performance could be achieved.

By comparing catering data across the estate, Incentive could advise Delphi where existing arrangements were not delivering relative value for money and to assist in the face to face negotiations with suppliers. For example, they discovered a wide disparity in covers served per head of catering staff which is a key indicator when restructuring such contracts that had been entered into at a local level and without any specialist catering advice.

The success of the first phase of the work with Incentive FM enabled Delphi to further define and develop its FM organisation into the OSG (Operational Services Group) in 2006. It increased the responsibility of the Facilities Services Group (FSG) in the EMEA region and a 'road map' was developed and agreed to prioritise this programme in the UK, Poland, Turkey, Germany, and more recently, the E & S Division which deals with car electronics and safety systems (switchgear, sensors, radios, air bags and much more).

The Delphi - Incentive FM relationship continued and expanded into reviewing the internal and external environmental health and safety (EHS) standards of compliance. It was able to show that contrary to belief, many of the best examples of compliance came with the leanest EHS structure, because the

compliance was achieved through sustainable embedded procedures within the operational organisation. This information has enabled Delphi to design lower resource levels into its new plants under construction in Morocco and Romania.

Capturing of detailed financial coding information from the initiative has simplified the creation of an OSG reporting process and feeds into the Delphi budget process so that there is a better management understanding and control of facilities costs.

Specifications challenged

Incentive FM has also identified that the Delphi procurement operation was not well attuned to the different demands of purchasing services compared to parts and materials. Whilst services had been procured at the best price, in many areas the specification for procurement had been unchallenged for a significant period of time. For instance whilst reviewing the E & S division (11 sites across 6 countries, it became apparent that the cleaning specifications for extremely similar working environments that included ESD (electrostatic discharge) floors, had vastly different frequencies and cleaning productivity.

The different environmental factors and working practices had to be considered, but using the benchmarking approach, Incentive FM weights these outcomes to establish an acceptable band of performance across a single business stream. Taking these results, a pilot working group of the four sites in

Germany reviewed the opportunity to achieve results within the best practice benchmark banding and negotiate a trial implementation with the country's appointed cleaning contractor.

A detailed evaluation of Delphi's catering requirements including the cost structure, build up, sales pricing and covers sold across nine - counties, Incentive FM have identified opportunities for service improvement and the ability to procure better arrangements at their new ventures. In Morocco for example, the outsourced catering market is not very strong with only a few companies able to fulfil the demand of a 5,000 cover operation. Having the technical knowledge and information available from Incentive FM has enabled negotiations to proceed and Delphi has achieved better value from their current supplier.

Another initiative involved the fire, safety and security of Delphi's EMEA sites. Delphi classifies its sites based on the assessment of risk on an 'A' to 'D' basis. However, over the course of the FM reviews it has become clear that substantially different approaches exist to fulfilling these requirements from sites within the same classifications. This has resulted in varying levels of resources and costs to fulfil the same corporate objective across country boundaries. In conjunction with the Delphi regional EMEA manager responsible for fire safety and security, Incentive FM is developing its tool for assessing the

true needs of a site, taking account of the environmental, technical, geographical, economic and cultural factors to establish the minimum benchmark for service supply.

Roadmap

The OSG roadmap will continue to evolve. The initial brief was delivered, then expanded and continues to achieve in a structured way is improving value, standards, communication and commonality of approach across Delphi's EMEA business. A unique relationship has developed between the senior personnel of Delphi and Incentive FM that ensures the roadmap is driven on and remains resilient in an increasingly competitive environment where continuous improvement is sustainable and a necessity. Being able to interpret American policy, liaise with a German client, communicate, negotiate and implement change with French, Portuguese, Turkish, and Romanian FM Ops staff and buyers requires a certain degree of robustness matched with diplomacy!

In August Incentive FM agreed terms for a further wave of reviews for other sites across EMEA with a further 27 sites to audit and review in two phases of work per location. The work to date across the remaining 23 sites where Incentive has been involved has highlighted up to \$3m of savings and efficiencies excluding energy. A high percentage of these savings have been agreed with local plant managers and contracts and are now being implemented.



Working in Open Spaces Fosters Ideas

By Elisa Melzi (researcher at IFMA Italy)



Marco Grassi, Facility Management Specialist at Eli Lilly Italia

From decentralised offices to a single complex capable of accommodating 400 employees, with 27 meeting rooms, a congress centre with capacity for 250 delegates, a library and a "creativity zone" - all thanks to open space, which reduces overheads and improves efficiency. Interview with the Facility Management specialist at Ely Lilly, an American multinational, one of the world's leading pharmaceutical companies.

Building new headquarters involves a large number of costs. Among the many benefits, however, there is one that, in itself, justifies such a demanding commitment: starting from scratch. Overall, this may seem a daunting prospect, but it actually opens up the unique possibility of creating a bespoke environment which perfectly meets the needs of the company and its employees. It was precisely the prospect of making the most of this opportunity which led Eli Lilly Italia to build a new head office in Sesto Fiorentino, as Marco Grassi, Facility Management Specialist at Eli Lilly Italia, reveals. "The old building was completely demolished. The new one was built on the same site, but it is absolutely nothing like the old one which could only accommodate around 80 people. In the new offices, we have found room for no fewer than 400 workstations. This meant that we could bring together a large number of employees at the head office, and close several satellite offices which were expensive. The new building was also constructed in accordance with a long list of specifications designed to maximise energy efficiency and reduce the impact on the environment and our energy bills".

More specifically, what were the reasons behind the decision to open this new head office?

The company's Italian management was firmly in favour of the decision, for various reasons. First, as I said, they wanted to reduce the fragmentation of staff and departments, scattered around our other offices. Bringing them together in a single building will improve our

work organisation and reduce costs, as mentioned before. We also really needed a 'flagship' building that would present the best face of the company to the outside world.

The whole operation took two years, from the decision to build the new office through to transferring the workforce there.

Constructing a new building also gave you the chance to implement a new space planning system from scratch.

This was also another aim of management. They wanted to design the new office space by significantly increasing the percentage of open space, and leaving the closed offices for directors only.

A principle that combines the principle of hierarchy with functionality.

Exactly. I should point out that the directors' closed offices are glass-fronted and are placed in front of the employees' workstations. This creates two-way visibility, although the managers have more privacy, as their duties sometimes demand.

As is often the case, the biggest office is that of the CEO, partly for representational reasons.

Have you adhered to the principle of territoriality in allocating workstations?

Yes, for the most part. However, there are also a dozen free workstations, for the use of the pharmaceutical sales representatives who only conduct a small part of their work in the office. These are only exceptions, however - the territorial factor is certainly the prevailing one.

Why were you so convinced of the decision to go for open space? It's a decision that goes against the trend seen in Italian companies over the past few years.

There were three main reasons. Space is a cost, and open space allows us to make savings. If we had used a higher percentage of closed offices, we would not have been able to concentrate so many employees in this office - or we would have had to build a larger one. Open space is also a concept that allows huge flexibility and makes reorganisation easier. On the other hand, it must be remembered that the new closed offices are also designed to be completely modular. The same goes for the furnishings. Basically, we wanted to create an environment in which the materials, workstations and even the offices themselves could be moved and put back together again easily, to suit different requirements.

But the main reason which led to the decision for this type of space management was another, rather different to those I have just described.

In other words?

We wanted to improve efficiency, and the way work is shared. The decision to increase the amount of open space was intended to send out a message - that all employees, regardless of level, are part of a single, united team in which there is no need to hide anything. For the same reason, the space saved thanks to this new layout has been exploited to expand the number and size of the common areas and meeting rooms.

In particular, the meeting rooms have been significantly expanded in comparison to the old office, which only had eight. They are still there, but now part of the building is completely given over to meetings. There are sixteen rooms of varying capacity, from six to sixty people. On each level of the building, there are eight smaller six-seater rooms which cannot be booked and are reserved for the departments that occupy each floor. In addition, there are two more meeting rooms near the entrance, to welcome visitors. On the top floor there is the prestige room, a large conference room equipped with the latest audio-visual technology.

In addition, the internal conference centre, which will accommodate 250

people, is to be inaugurated in the next few months.

We saw from the plan that you have also added a reading room and a "creativity zone". What are they?

The reading room will be a mini-library, complete with books, journals, video recorder and DVD player. It has been designed not only to allow employees to relax during and after work, but mainly to encourage them to exchange ideas about a book they have just read, or on any other topic. We could call it a "cultural discussion area".

The creativity zone is a space designed especially for brainstorming. For this reason there are no chairs or armchairs, but a series of instruments useful for brainstorming. It can be used during particular times of the working day, when there is greatest need to produce ideas and new proposals.

How did staff welcome the decision to increase the proportion of open space, and how have they accepted the other changes imposed by this new layout?

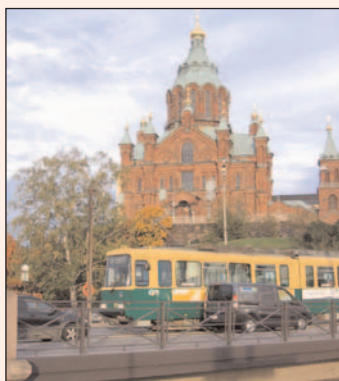
Initially, we met with a certain degree of resistance, both from the clerical staff who saw their desk space reduced, and from the managers who found themselves having to give up their private offices. However, all the concerns vanished once they could see for themselves the benefits of this new space layout. Some employees have even asked us to remove some of the barriers between the workstations so that they can communicate even better.

How did you decide on the supplier?

There was a tender, held among seven systems manufacturers. The winning company only had to implement the structural aspects of an extremely detailed project drawn up by our company. To give you an idea of how detailed it was, we gave instructions that only the directors were to have a desk extension, while all the other employees were to have a smaller area than what they were used to, in order to gain space. Every aspect of this new office, from the façade to the interior, is the result of our own planning. It really is a made-to-measure environment.



FM in a Cold Climate



Helsinki is a good place for a young profession to meet. Finland declared independence as recently as 1917. It is also a country with a progressive history - the first in Europe to give women the vote and to allow them to run for parliament. Women took 42% of the seats in last year's elections.

For three days in September, EuroFM, the Finnish Facility Management Association (FIFMA) and the Nordic FM network came together in Helsinki for an intense programme of meetings and seminars - 'FM Days in Finland'.

The programme began with a research seminar hosted by sponsors KIINKO at their offices 15 minutes outside the city. KIINKO - Real Estate Education offers postgraduate education and training for asset, property and facilities management professionals.

The five presentations included an overview of KIRSU - the Graduate School for Real Estate, Construction and Planning, with 130 post-graduate students and 65 professors from nine universities. The school has produced 64 PhDs since 2003. From next year it merges with the Graduate School in Housing Studies and Social Change.

KTI (a sort of Finnish IPD) described their current collaborative projects: 'Customer Driven and Innovative Property and User Services' and 'Office Occupiers' Preferences and Needs in a Changing Business Environment'.

Suvi Nenonen, Research Manager at Helsinki University of Technology (TKK) and chair of the main event, explained the results of a collaborative project between TKK's Facilities



Services Research Group and NCC, one of the Nordic region's leading construction and property development companies.

The objective was to improve the quality and usability of business parks, increase value and reduce costs. The researchers visited the UK and California, looked at the 'customer journey' and did a 'usability walkthrough'.

The result was some new concepts for NCC which, after piloting, are being incorporated into new locations at Tampere, Vantaa and Porì. According to Nenonen, the developer began to understand the implications of changing workplaces and the resistance to change.

The work produced three articles, three Masters and three Bachelors theses and the students benefited from a real-life laboratory.

Tekes, the Finnish Funding Agency for Technology & Innovation, distributed around €500m in 2007 to over 2,000 projects. Its 'Spaces and Places' programme has a budget of €80m.

The project will look at physical, social and virtual spaces for working, living, leisure and learning. Customer groups include software designers, real estate companies, design consultants, furniture companies and operators. More information at <http://www.tekes.fi/eng>

Over 70 people from 12 countries gathered for the main seminar programme on 26th September. Finland was of course well represented, with just over 50% of the delegates. However, attendance from Scandinavian countries was very low, with the Netherlands sending the next largest delegation of 12.

Finnish FM became international relatively recently, said Jyrki Karjalainen, head of workplace management for Finland and Nordics at Nokia. Foreign investors began to buy property and the culture of real estate transactions started to change as international advisors entered the market.

Medium-sized companies have mostly disappeared, according to Karjalainen, with one or two large players dominating and thousands of very small suppliers. If one of the smaller suppliers grows successfully, it is immediately bought, he said. Later, Karl Virta, MD of ISS Finland, would admit to being one of the 'culprits'.

Ilkka Kakko, MD of Karostech, described how the project to create a network of collaborative working, learning and development environments, the Global Oasis network, began with workshops and a 'training camp' for users, rather than workplace experts.

In December 2006, the first implementation of the Oasis concept opened in 1,200 sq m on the top floor of a science park building in Joensuu, a small town NE of Helsinki near the Russian border.



See http://www.network-oasis.com/main.site?set_language=eng

The key elements, said Kakko, are diversity and serendipity. The environment connects generations and combines arts, science and business. The floor can be accessed 24/7 using RFID tags with usage fees triggered by occupancy.

The spaces have suitably inspirational (or just plain wacky) names such as the Hall of Results, the Temple of Challenge and the Serendipity Cafe. There's also a kitchen and, of course, a sauna.

The location has encouraged take-up from across the border. One of the four Russian companies using the space says it's a brilliant solution for Russian companies just entering the European market. The company hopes to open locations in Helsinki, St Petersburg and Moscow next year.

Nokia, perhaps Finland's best known company, has stated that it is transforming itself from a 'devices' to an 'internet' company. Workplace solution manager Johanna Ihalainen explained how this transformation is being expressed in office layout and design.

Mobile and remote working has increased and people are no longer working 100% for their line manager. A typical desk at Nokia House in Espoo is occupied less than 50% of the time so the physical environment must change to support this transformation.

Space will no longer be designed according to status and held 'just in case' but based on functions and tasks and provided 'just in time'. Nokia's approach is to provide a 'kit of parts' to create different work settings, including semi-open meeting spaces and 'phone booths'.

The renewal of Nokia House is the only project in Finland going for LEED Gold Standard accreditation and it was interesting that sustainability was the focus of just one presentation, although touched on by others. For example, Antti Tuomela, director of real estate consultancy Newsec, said that despite common commitment, sustainability is hard to sell: "End users do not yet see environmental issues in the FM context."

Pöyry, a consulting and engineering firm, has been looking at sustainability issues in real estate since 1999. Karoliina Rajakallio said, facilities accounting for just 5% of costs caused over 50% of environmental impact in service (not process) organisations studied.

Therefore, companies wishing to reduce their impact must work with their

FMs. Finland will be responding to the challenge via EU Directives, national energy savings programmes and voluntary agreements, said Rajakallio. One of the main obstacles is that incentives to reduce energy are usually split between different players. Reliable operation and consumption data is crucial, with continuous, active reporting to all players, she argued.

After each session delegates were asked to vote electronically on related questions. On environmental responsibility, 76% of the audience thought FM is at a very early stage.

Alongside the seminars, EuroFM's three network groups - practice, education and research - held sessions in Helsinki.

An interesting education model was presented by Prof. Dr. Klaus Homann from the University of Cooperative Education in Stuttgart.

The university operates a bi-lateral system. Students receive an academic training at the university and professional training with selected companies and organisations. The students apply through the company and are then enrolled with the university.

They work on real-life problems and are paid between €650 and €700 per month. This is not the easy option it might seem; students first have to convince the company to take them on and then commit to 35 or 40 compulsory contact hours a week.


Richard Byatt is BIFM's Communications & External Affairs Director




EuroFM's Practice Network Group hosted a visit to the Centrum Kamppi in Helsinki which combines a transport interchange, housing and retail.

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