



Enabling competitive advantage through workplace design: A case study

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Introduction

Most organizations consider their move or workplace redesign as a distraction or a necessary evil. However, the design of the physical workplace can be a competitive advantage. Facility

Managers can help organizations proactively plan and manage their environment to achieve positive business results. The benefits can include: increasing productivity; higher employee engagement; cost savings; and supporting wellness initiatives. This article demonstrates how one company, an urban clothing manufacturer, is leveraging the workplace for marketing, employee attraction and retention. The new campus was purposefully designed to attract customers, buyers and employees as well as to enhance collaboration and innovation.

Drivers of Workplace Change

There are many drivers for workplace change and, for most companies, growth and cost savings is on the top of the list, but the war for talent is a serious concern, coming in a close second. A Towers Watson study revealed that two of the top three workforce challenges that CEOs face are loss of key talent and the inability to attract necessary talent. [1] With competing clothing companies in their city, our case study viewed their new headquarters project as a chance to design a space with appealing amenities and easy access to public transportation – two factors that improve work-life balance and ultimately help attract and retain talent.

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Towers Watson 2010

This company also saw their relocation as an opportunity to attract customers to their brand and, at the same time, become a destination for retail buyers. The move was a perfect moment to enhance buyers' perceptions of their corporate brand.

Envisioning the Future – The Workplace as a Competitive Advantage

“If a customer interacts with a company on its premises, there is a direct relationship between facility location and design and the customer’s opinion of the company. Place should be viewed as a strategic asset and can be a valuable tool for enabling competitive advantage.

Decisions about place are even more critical to organizational success today. Companies seek to increase their power over their customers by offering greater value than their competitors. Real estate and facilities can impact a company's relationship with their customers both directly and indirectly.”[2]

The CEO understood this relationship when he envisioned a future workplace that attracted employees, buyers, and customers to a state-of-the art facility with new showrooms, design rooms, a fully-staffed cafeteria focused on wellness, an expanded employee store, and a design center where employees, customers and buyers collaborate on new product design. The new building was constructed to focus on the core mission and to showcase its products. In a video to employees, long before construction started, the CEO noted that the new work environment was planned to exemplify the company's values. It was designed with an emphasis on health and well-being to foster a more pleasant, productive and collaborative environment.

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Martha O'Mara, Strategy and Place

Efforts to create their new workplace as a competitive advantage included:

- A location strategy attentive to employee work-life balance
- Employees and business partners engaged in the design of the workspace
- A change management program to ensure employees rally behind the change
- A culture of health and wellness designed into the space
- Branding and artwork that enforces the values and mission
- A state-of-the art design center where staff, customers and buyers collaborate
- An opportunity for buyers to see product in action

Design Involvement and Employee Engagement

“Involving employees in the design of the workplace provides an opportunity to increase employee engagement. If participants are engaged in developing a new design, they are more likely to be committed to its implementation; even more important, they learn how to improve work and workplace on a continuing basis. When key stakeholders are active and involved, the process is more responsive to the needs of the organization and tensions among participants tend to be productive.”[3]

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In this case study, staff input on the way they worked was integrated into the design of the facility. The workstations were custom-designed for each of the different departments that actually utilized the space. For example, the apparel and footwear departments each had modifications to workstations that reflected how they worked (e.g., special racks for clothing and shelves for shoes). Employee surveys showed that staff wanted a better fitness center, an employee cafeteria, increased daylight, engaging showrooms and productive design rooms with better technology. Employees also requested more designated functional work-rooms with videoconferencing capabilities to increase efficiency and enhance collaboration. The new space met employee desires and also provided meeting rooms with writable surfaces and special convergence areas.

Change Management

As Peter M. Senge once said, “People don’t resist change, they resist being changed.”[4] People have a natural resistance to change and even though this company had compelling business reasons for transforming the workplace, senior executives understood that employees could feel vulnerable with the process. To avoid this, the leadership fully engaged employees in the change and guided them through the workplace transformation. Immediately after the lease was signed, the Marketing department created a video of the raw space where the CEO explained the new workplace vision. The Director of Human Resources narrated a tour, with a drone camera following her, through the interior and exterior of the new campus.

Leadership should fully engage employees in the change and guide them through the workplace transformation

The executives recognized the importance of communication in helping employees embrace change and created a change management team to address employees’ concerns. The leadership team was not the only group involved with communicating the change. They partnered with their external relocation project team that included their broker, architect, furniture supplier, general contractor, construction project manager, landlord representative, and move manager. The external team provided critical information (e.g., timing of events and decisions points) that was essential for the change management team to communicate accurate news to employees. Methods for workplace communication used to retain employees during and after the move were:

- Frequently Asked Questions – weekly emails discussing project progress and “What’s In It For Me” (WIFM) for employees.
- Videos – showing construction progress or vital information about the new workplace.
- Training Sessions – explaining new technology and ways of working.
- Department Meetings – presenting workplace information and answering questions from employees to engage them in the process.

- Company Meetings – where CEO discusses reasons and progress of the new workplace.
- Special events – engaging employees in the new workplace (e.g., room naming contests)
- Tours – of the workplace either in person and through video

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Branding

The branding of the space was designed with the company mission and values in mind. Working with Marketing, the project team created an environment that incorporated artwork depicting company products. This resulted in an environment that communicated the company's energy and passion for urban clothing to all its audiences: employees, visitors and buyers.

The move was a perfect moment to enhance employee, customer, and retail buyers perceptions of their corporate brand

Staff were excited to show visitors where they work and Marketing continued to produce new videos for the lobby's digital wall that dynamically communicated the brand's energy and the company's mission. Additionally, the digital wall provided another format for employees to "see" what was happening nationally. Upon exiting the design center, a wall of products showcased the evolution of their merchandise. This reinforced the message that this company is an influential brand built on innovation.

Summary

Since the move, this company was named one of the best places to work in its region. "Real estate and facilities are only rarely the direct source of a firm's competitive advantage. Instead, their role is to help create the conditions which enable competitive advantage to flourish." [5] This company successfully leveraged their space to attract and retain talent in a very competitive market and to communicate their brand to buyers and customers. They understood the importance of place as a competitive advantage. This case study shows that Real Estate and Facilities can provide value to their company when they leverage the space to support its strategic goals.

[2] O'Mara, Martha A. 1999. *Strategy and Place: Managing Corporate Real Estate and Facilities for Competitive Advantage*. New York: Simon & Schuster, Inc.

[3] Turid H. Horgen, Michael L. Joroff, William L. Porter and Donald A. Schon. 1999. *Excellence by Design: Transforming Workplace and Work Practice*. John Wiley & Sons..

[4] Senge, Peter. 2006. *The Fifth Discipline*. New York: Broadway Business (Crown Publishing).

[5] O'Mara, Martha A. 1999. *Strategy and Place: Managing Corporate Real Estate and Facilities for Competitive Advantage*. New York: Simon & Schuster, Inc.

About the Author

Diane Coles Levine is Managing Partner at Workplace Management Solutions. She serves on the IFMA Board of Directors, is Past Chair of the IFMA Foundation and was named the 2015 IFMA Corporate Real Estate Council Distinguished Member. She is an international speaker and guest lecturer at Vienna University of Technology and MIT Professional Education Programs. Diane is co-editor and author of Work on the Move.

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