Executive Summary
Top Trends In Alternative Workplace Strategies

Fourth Biennial Global Benchmarking Study

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Introduction

New Ways of Working,® (NewWOW), a research consortium focused on alternative workplace (AW) solutions, surveyed organizations globally to learn more about their workplace strategies. Conducted in 2013, the survey asked how organizations around the world implement, manage, and profit from alternative workplace practices, settings, and locations. The goal of the study is to provide a better understanding of why and how organizations are employing alternative workplaces.

Now in its sixth year, the NewWOW benchmarking study examined how leading organizations around the world approach alternative workplace issues. Survey questions covered types of alternative workplace locations and work options used, status and length of program, business drivers, barriers, change management, values, and benefits.

This fourth biennial survey now provides us with enough longitudinal data to begin seeing trends. The most striking one is the shift in focus. Workplace is seen as being much more about the work than about the space. Organizations are seeing workplace as a strategic resource, provided for its people; not workplace as a cost center, something to control.

People-related issues or "soft" issues are back as the primary business drivers of AW programs as was the case in pre-recession 2008. Cost savings and space optimization ("hard" issues) are replaced by "soft" issues, many of which have indirect effects on the bottom line: employee work/life balance, productivity and attraction / retention. Similar people-related issues also top the charts for benefits of AW programs. For the first time in our benchmarking surveys, cost saving is not the #1 benefit. These results are consistent with other responses signaling that the economy is regaining strength and workplace is being seen as a strategic asset.

Alternative Workplaces are continuing to be adopted but some organizations are passively accepting changing ways of working, rather than actively planning workplaces to accommodate new workstyles. Informal implementations of mobile workstyles, often seen in smaller firms, means that these organizations aren't able to capitalize on potential space savings. Instead, they continue providing traditional spaces and workspace efficiencies are not fully maximized.

We see an ongoing move towards mobility – both inside the office and elsewhere. Third spaces--workspaces other than home or company-provided office--show strong growth. "Choose your own place to work" suggests that organizations are becoming more comfortable with employees working outside company offices and are now offering the convenience of working at alternative locations.

Despite the accelerating adoption of AW, barriers still exist, though their intensity is dropping. As we've seen in previous years, organizational culture and manager concerns top the list of barriers. AW program funding as a barrier dropped the most. This is consistent with the switch in business drivers from cost savings to softer people issues.

With four sets of data over six years, we're fairly confident in saying that AW is emerging as a sustainable business strategy. This focus is underscored by changing program leadership, with a higher percentage of executive leaders taking a more active role in AW.

TOP TRENDS

The study revealed key alternative workplace trends in a number of areas:

1. People issues overtake costs as top business drivers and benefits
2. Barriers continue to drop
3. Alternative Workplace developing as a sustainable strategy
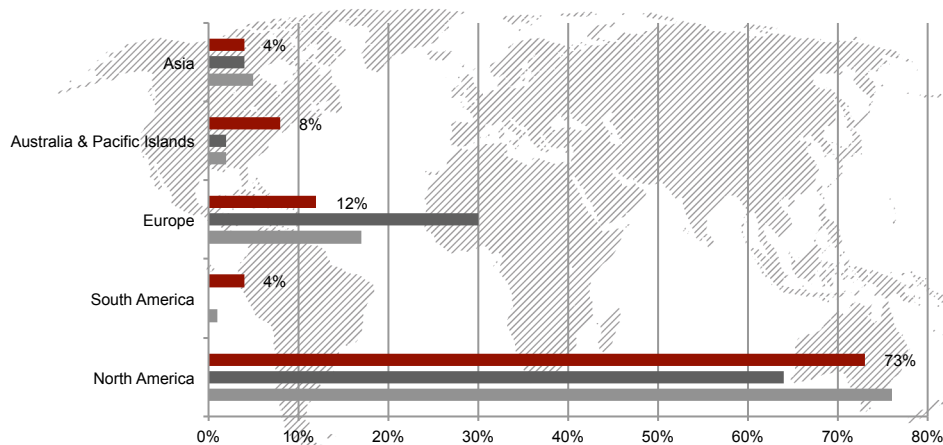4. Informal programs continue to grow
5. Growing executive involvement

AW defined
An alternative workplace (AW) program or practice is the combination of non-traditional work practices, settings, and locations that supplement or replace traditional offices.

About The Survey

225   Survey participants

169   Have an alternative workplace (formal or informal program)

30%   Architecture & Design/Construction/Real Estate

12%   Professional Services

9%   Banking/Investment/Insurance

50%   Mid-sized or smaller company
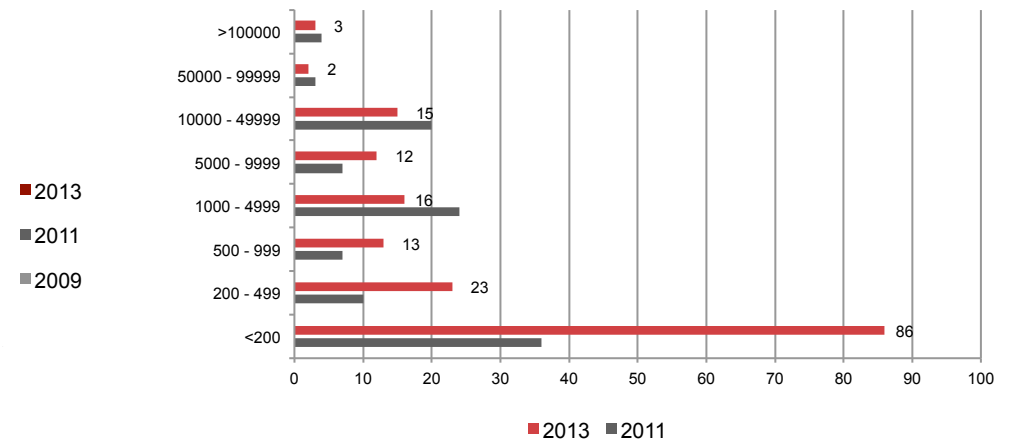
73%   North American-based organization

Participants (partial list)

AOS Studley	LifeWay
ATB Financial	Medtronic
BCBSNC	Orange Business Services
Cisco	Plantronics
Clarion Group	Progressive Insurance
CMi	Rapal Oy
Coalesse	Red Hat, Inc.
Gensler	RKAS
GSA	Statoil ASA
Haworth	STRABAG
ICS	Teknion
Innvire	TIAA CREF
Intex Solutions	Unisource Solutions
Juniper Networks	VTT
	Woods Bagot

Global Distribution

Asia — 4% (2013)

Australia & Pacific Islands — 8% (2013)

Europe — 12% (2013)

South America — 4% (2013)

North America — 73% (2013)

Legend: 2013, 2011, 2009

Size Of Participating Organizations

Organization size	2013
>100000	3
50000 - 99999	2
10000 - 49999	15
5000 - 9999	12
1000 - 4999	16
500 - 999	13
200 - 499	23
<200	86

Legend: 2013, 2011

TREND 1: People Issues Overtake Costs As Top Business Drivers And Benefits

Benefits Of Alternative Workplace Programs

'13
1. **Attraction & retention of employees**
2. Employee work/life balance
3. Increased employee satisfaction
4. Increased employee productivity
5. Cost savings, including space reduction*

'11
1. Cost savings, including space reduction*
2. **Attraction & retention of employees**
   Employee work/life balance
3. Increased employee satisfaction
4. Increased employee productivity
5. Real estate flexibility

'09
1. Cost savings
2. Real estate flexibility
3. Space reduction
   Increased employee productivity
4. Employee work/life balance
5. **Attraction & retention of employees**

'08
1. Cost savings
   Employee work/life balance
2. Sustainability
3. Increased user satisfaction
   Increased employee productivity

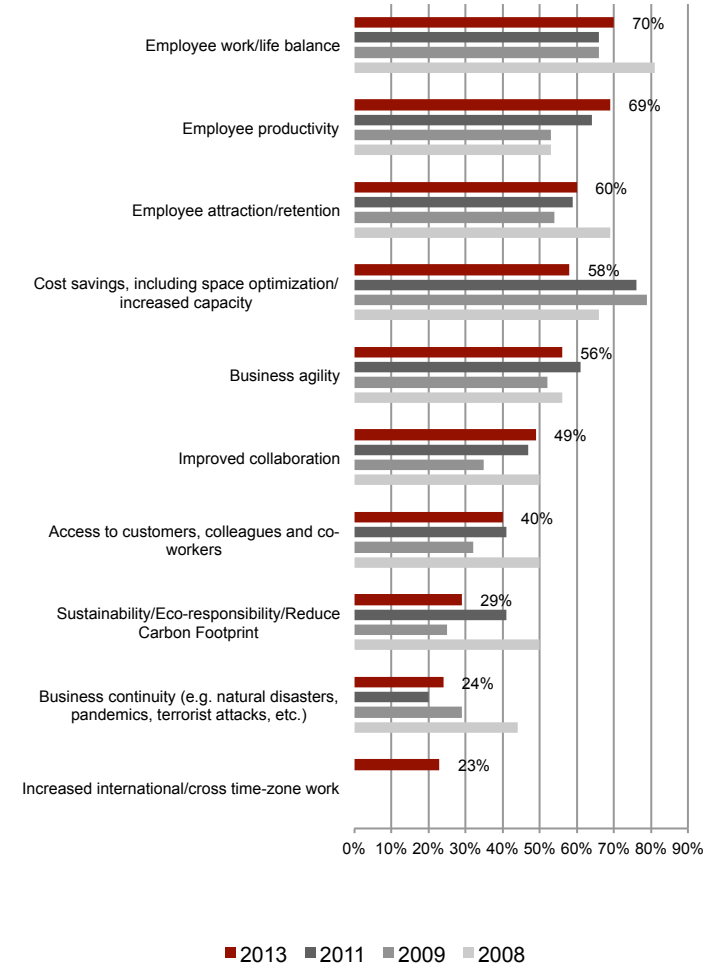•*This category included space reduction in the 2011 and 2013 surveys.*

People First

People issues trumped cost as primary business drivers. In aggregate with all responding organizations, cost as the #1 business driver dropped 18 points from 2011 (58%) and is now ranked 4th behind "soft" people issues.

The survey also found that people issues (employee attraction/retention employee work/life balance, increased employee satisfaction, and increased employee productivity) topped the list of AW benefits. Cost savings dropped to fifth in rank.

It's clear that organizations are no longer justifying AW programs by cost savings alone.

Business Drivers - All Organizations

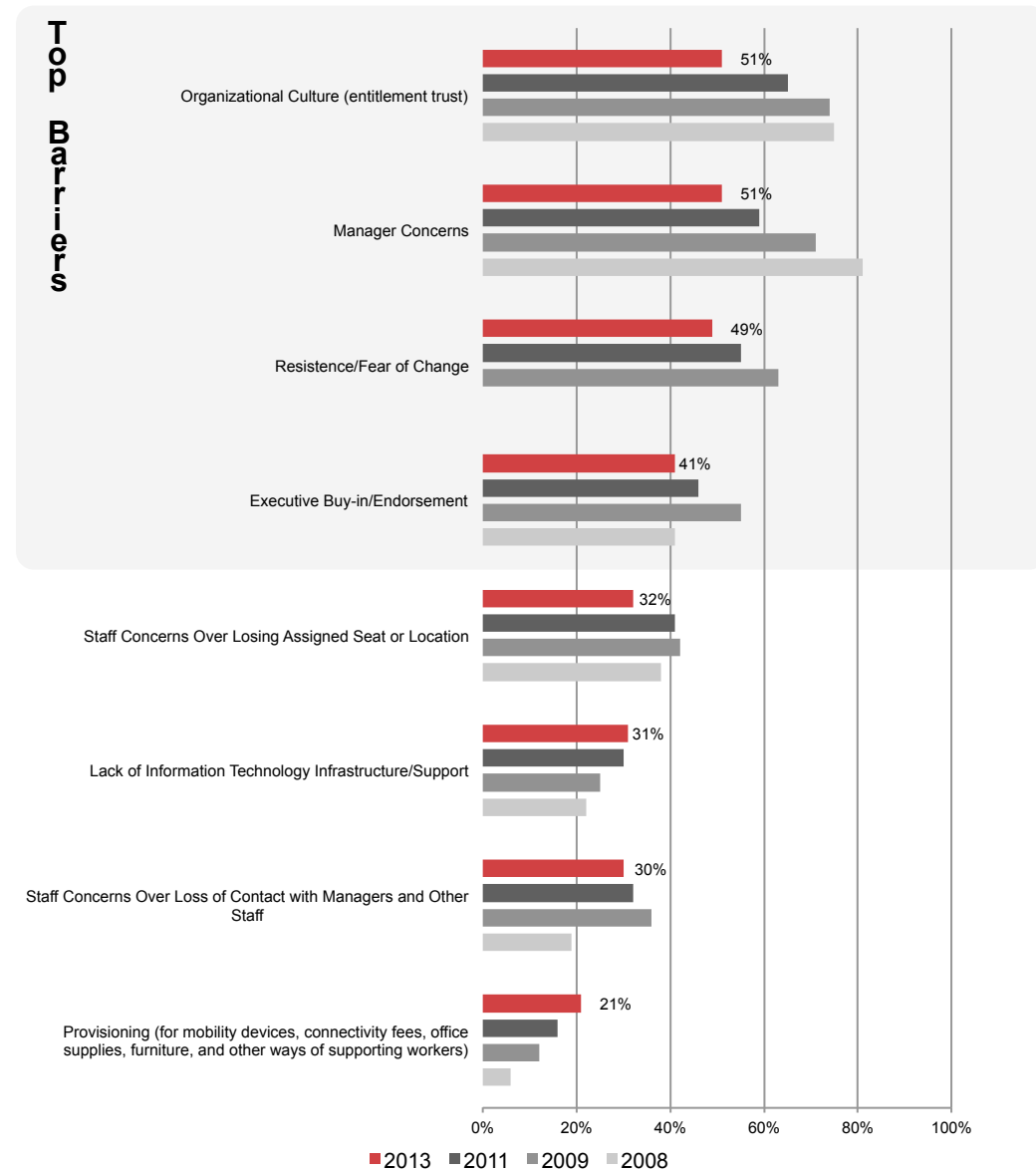| Business Driver	2013
Employee work/life balance	70%
Employee productivity	69%
Employee attraction/retention	60%
Cost savings, including space optimization/ increased capacity	58%
Business agility	56%
Improved collaboration	49%
Access to customers, colleagues and co-workers	40%
Sustainability/Eco-responsibility/Reduce Carbon Footprint	29%
Business continuity (e.g. natural disasters, pandemics, terrorist attacks, etc.)	24%
Increased international/cross time-zone work	23%

■2013 ■2011 ■2009 ■2008

TREND 2: Barriers Continue To Drop

Barriers Still Exist But Are Lessening In Impact

Barriers to AW adoption continue to drop, with organizational culture and funding declining the most. AW program funding as a barrier dropped by 15 points and appears to be consistent with the switch in business drivers from costs savings to "soft" people issues.
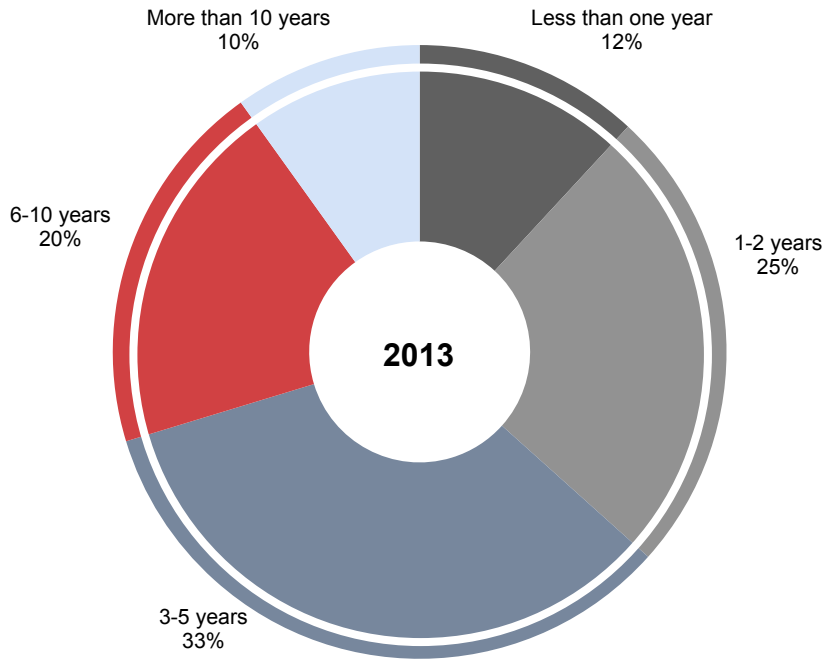
Organizational culture and management concerns are the greatest barriers to AW progress. Significantly, they also continue to drop in their overall impact.

Barriers To Program Development & Expansion

Top Barriers

- Organizational Culture (entitlement trust) — 51%
- Manager Concerns — 51%
- Resistence/Fear of Change — 49%
- Executive Buy-in/Endorsement — 41%
- Staff Concerns Over Losing Assigned Seat or Location — 32%
- Lack of Information Technology Infrastructure/Support — 31%
- Staff Concerns Over Loss of Contact with Managers and Other Staff — 30%
- Provisioning (for mobility devices, connectivity fees, office supplies, furniture, and other ways of supporting workers) — 21%

Legend: ■2013 ■2011 ■2009 ■2008

TREND 3: Alternative Workplace developing as a sustainable strategy

Length Of Program

More than 10 years
10%

Less than one year
12%

1-2 years
25%

6-10 years
20%

3-5 years
33%

2013

Program Names

AW may have to drop the "alternative" from its name

AW is emerging as a sustainable strategy. Twelve percent of survey respondents reported being in their first year of AW deployment yet the number of companies with programs of six years or more rose from 22% to 30%.
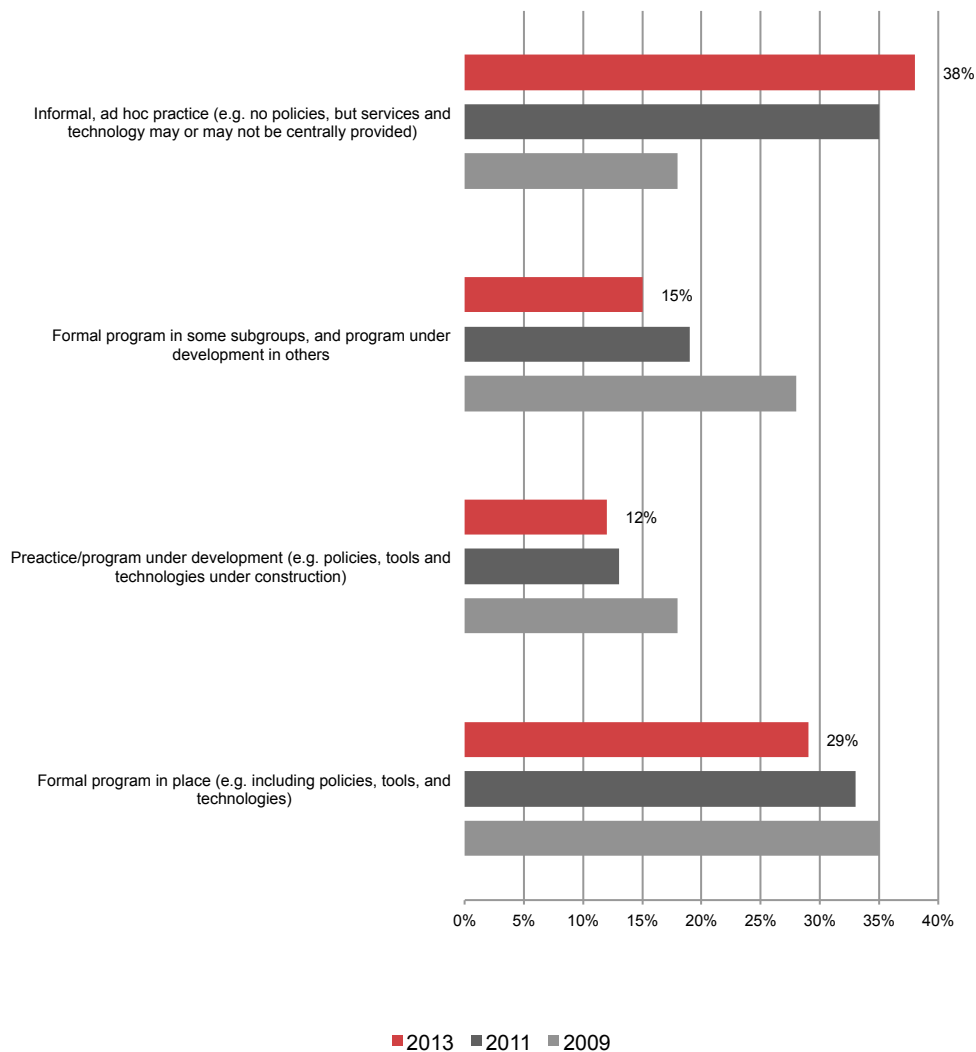
The rate of adoption remains high as the trend towards mobility continues. The number of companies with mature AW programs is growing.

The presence of these mature programs serves as evidence of the sustainable nature of alternative workplace strategies, despite the fact that the business drivers also shift and change. AW programs are moving beyond simple telecommuting and now include a greater use of third spaces.

Even the terminology describing AW programs points to a greater acceptance of AW. "No name -- this is just the way we work" was the most common description.

TREND 4: Informal Programs Continue To Grow

Status Of Program

Informal, ad hoc practice (e.g. no policies, but services and technology may or may not be centrally provided) — 38%

Formal program in some subgroups, and program under development in others — 15%

Preactice/program under development (e.g. policies, tools and technologies under construction) — 12%

Formal program in place (e.g. including policies, tools, and technologies) — 29%

■ 2013 ■ 2011 ■ 2009

Informal AW Implementations Continue

Informal implementations of AW continued to increase in 2013 as a percent of total firms responding to the survey, though at a slower rate than in the 2009-2011 period. This is mostly due to the large number of small firms responding to the survey.

Third spaces--workspaces other than home or company-provided office-- expands. There is a noticeable jump in the number of non-company alternative spaces used. Smaller organizations use fewer assigned workstations and are more externally mobile.

More organizations track how their employees use space. In 2009, a third of organizations did not track where their employees worked; that percentage was reduced to 25% in 2011 and 19% in 2013.

Informality has its downside: There's a risk to organizations because unstructured AW doesn't allow companies to fully benefit from AW programs. Informal AW also tends to emerge unevenly across the organization, resulting in employee feelings of "haves" and "have nots."

TREND 5: Growing Executive Involvement

Executive Suite Is Taking Notice

Executive leaders are more actively running and managing AW programs than in the previous years and they are the primary sponsors of such programs.

However, many responding to the "other" category noted that their organizations are beginning to share leadership among departments including some combination of Corporate Real Estate, Human Resources and Information Technology.

Departments Or Business Units Running/Managing The AW Program
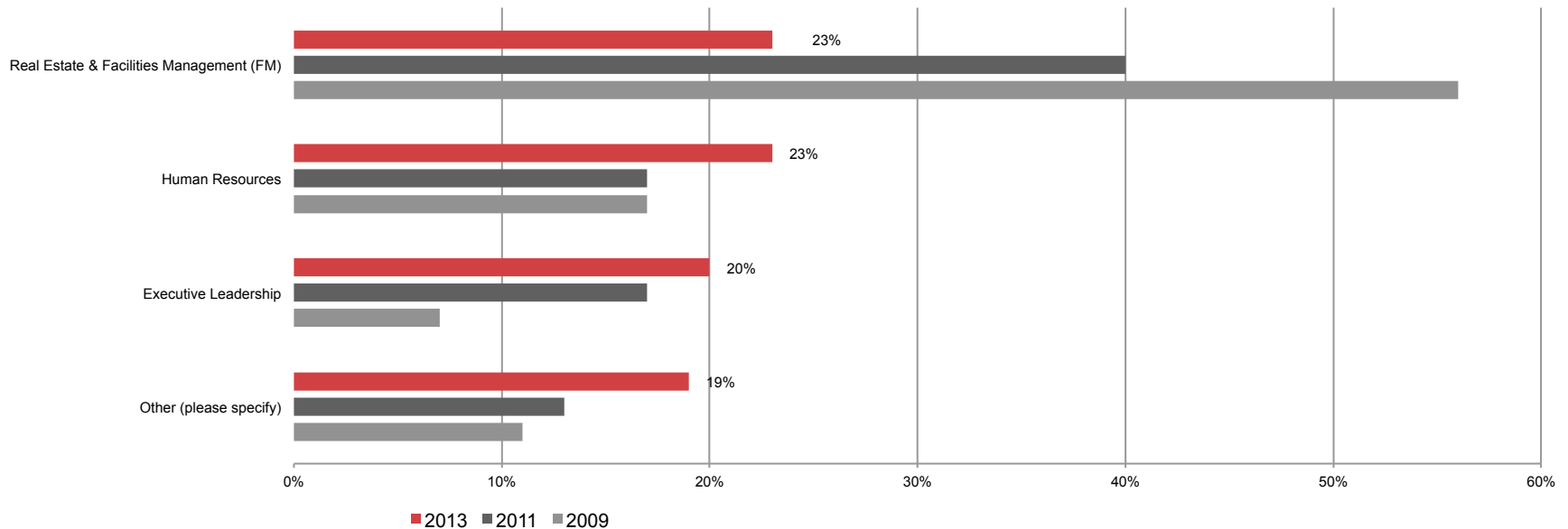
Key Takeaways & Recommendations

People issues overtake costs as top business drivers and benefits
☑ Assure your organization understands and is committed to your key business drivers and the role AW programs play in your overall capital plan
☑ Try to use "soft" issues to support AW programs or partner with HR to introduce broad-based changes in workplace strategy

Barriers continue to drop
☑ Base decisions on data and assure stakeholders understand the behaviors, needs, and preferences of managers and employees in order to make informed AW program decisions

Alternative Workplace developing as a sustainable strategy
☑ Provide a rationale for why employees need to work in the office a minimum number of days per week
☑ Offset such mandates by offering more options for employees when they do work away from the office (e.g. mobile technology)

Informal programs continue to grow
☑ For informal programs, try to establish some structure to assure that employees across the organization can participate as needed and desired

Growing executive involvement
☑ Executives are critical stakeholders in AW programs, thus should be fully engaged from the early planning stages
☑ Engage any new stakeholders, such as HR for a more sophisticated, integrated approach

About the study

New Ways of Working administered a web-based survey from July 1 to August 2, 2013. Participants were invited based on the following criteria: 1) they participated in the previous 2011 benchmarking survey; 2) they downloaded the summary of the 2011 study, or 3) they were suggested by members of the Core Team. With the help of Chris Hood and Glenn Dirks, significant numbers of IFMA members participated. This year's sample contained a high percentage of smaller organizations. About half of the respondents answered for organizations with less than 200 employees. In addition, about 30% of the total sample is composed of architecture and design (A+D) firms, many of which are also smaller firms with fewer than 200 employees. 169 respondents, representing over 1.6 million employees completed the survey.

Team: Members of the New Ways of Working Benchmarking Committee included Dr. Reza Ahmadi Emergent Solutions; Dr. Jay Brand, Andrews University; Dr. Jim Creighton, NewWOW; Glenn Dirks, Better Workplace; Chris Hood, CBRE; Dr. Gabor Nagy, Haworth Ideation; Dr. Joe Ouye, NewWOW Champion; and Eric Richert, Optimaze.

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About New Ways of Working

The New Ways of Working Network is a membership organization of thought leaders from companies and academia exploring research into new ways to organize work: how, where, when, and with what tools. They provide a forum for dialog between peers who are implementing some aspect of new ways of working. Members bring a wide range of experience from the fields of organizational design, technology, and workplace design. The Network is further enriched by the contributions of respected academic researchers and knowledgeable consultants. Please visit New Ways of Working for more information www.newwow.net.

Future plans: NewWOW plans to continue this study on a biennial basis. Organizations that participate will receive a detailed report. To learn more about the study or to participate in the study in 2015, contact Jim Creighton (jim.creighton@newwow.net).

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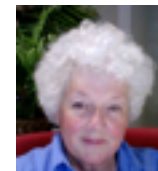
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