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JAPAN CHAPTER
news & events

CORPORATE REAL ESTATE | 2020
The Future of Corporate Real Estate and the Workplace

Summary Analysis of Key Findings
The Changing Nature of Business and Work

Vinay Ramanathan
September 3, 2013
Tokyo, Japan

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A legacy of thought leadership

Corporate Real Estate 2020
A roadmap for navigating in a complex, uncertain world (2012)

Corporate Real Estate 2010
The globally networked enterprise (2004)

Corporate Real Estate 2000
Alternative workplace strategies, telework, mobility (1996)

Shaped directly by 300 of the world's best-known Global 1000 companies, global service providers and economic developers.

What reports show?

Key trends in how CRE will operate, collaborate, and contribute to their companies and communities.

CRE in 2020 across eight domains

- Enterprise Leadership
- Location Strategy and the Role of Place
- Partnering with Key Support Functions
- Portfolio Optimization and Asset Management
- Service Delivery and Outsourcing
- Sustainability
- Technology Tools
- Workplace
- Synthesis Report

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What the future holds

- **'Consumerization' of technology**
- **Bring Your Own Technology = BYOT**
- **'Re-shoring' of manufacturing jobs**
- **Buildings as energy-producing 'micro-grids'**

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Top line – Key messages

The New Job #1 of CRE Executives

-Enabling work and employee engagement 自己实用

-Multi-generational for 1st time ever

-Work-life supports are now #1 business driver

-CRE as a key productivity driver

-How to measure ~~productivity~~ 知的生产力

-People at the center

-The quality of work experiences and work environments

San Diego Global Summit
General Session 2 Panel
Visionaries Foresee the Future of CRE
Live streamed @ Events/Global Summits/Past Summit Archives

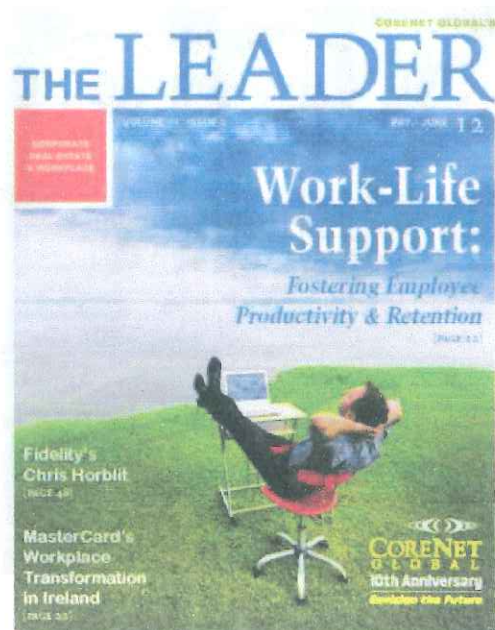CORENET GLOBAL

The 'Great Reset'

The CRE model is now the business model

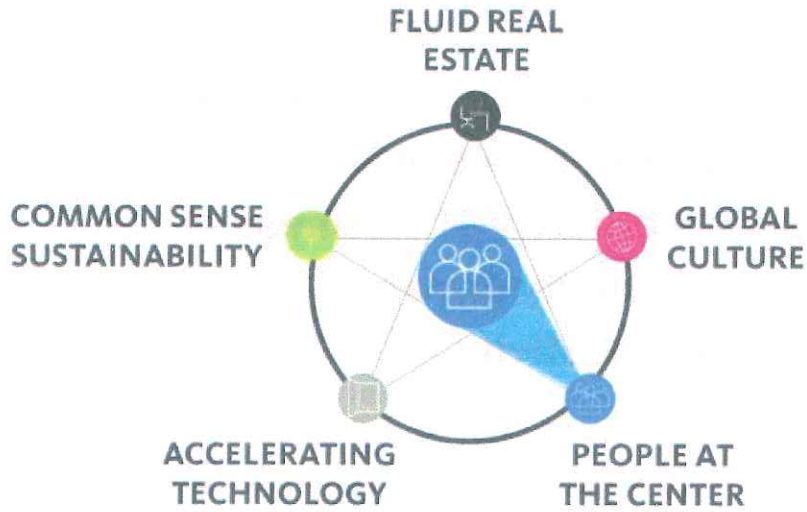*What started out as a real estate strategy quickly became an overall business strategy*

Work-life support = Organizational results

'The fact that work environments are now part of executives' definitions of work-life supports is testament to the influence CRE is having on the business'

Dr. Tracy Brower, Herman Miller
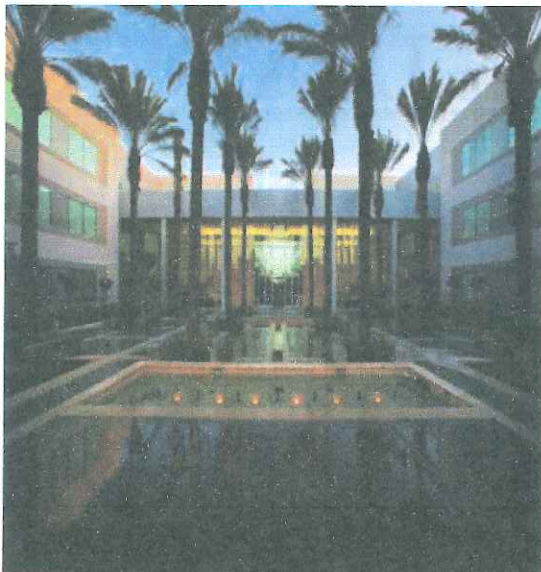LEADER Magazine, May-June 2012

THE LEADER

Work-Life Support:
Fostering Employee
Productivity & Retention

Fidelity's
Chris Horblit

MasterCard's
Workplace
Transformation
in Ireland

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10th Anniversary

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The 'Great Reset'

FLUID REAL ESTATE

Gensler

COMMON SENSE SUSTAINABILITY

GLOBAL CULTURE

ACCELERATING TECHNOLOGY

PEOPLE AT THE CENTER

FIVE FORCES

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New ways of working define an emerging global business model

'Real estate is not as valuable today as a cost-versus-market arbitrage for profit as it is for translating organizational strategies into physical designs that support higher productivity and lower costs'

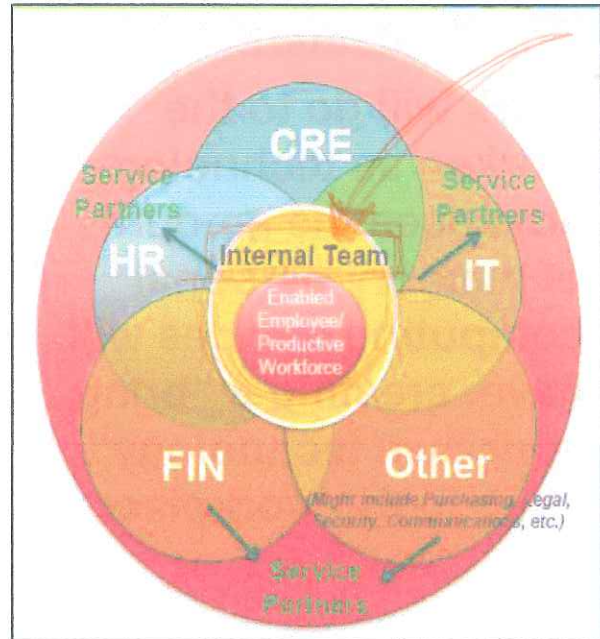- Sven Govaars, Gensler

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Dawn of the super nucleus
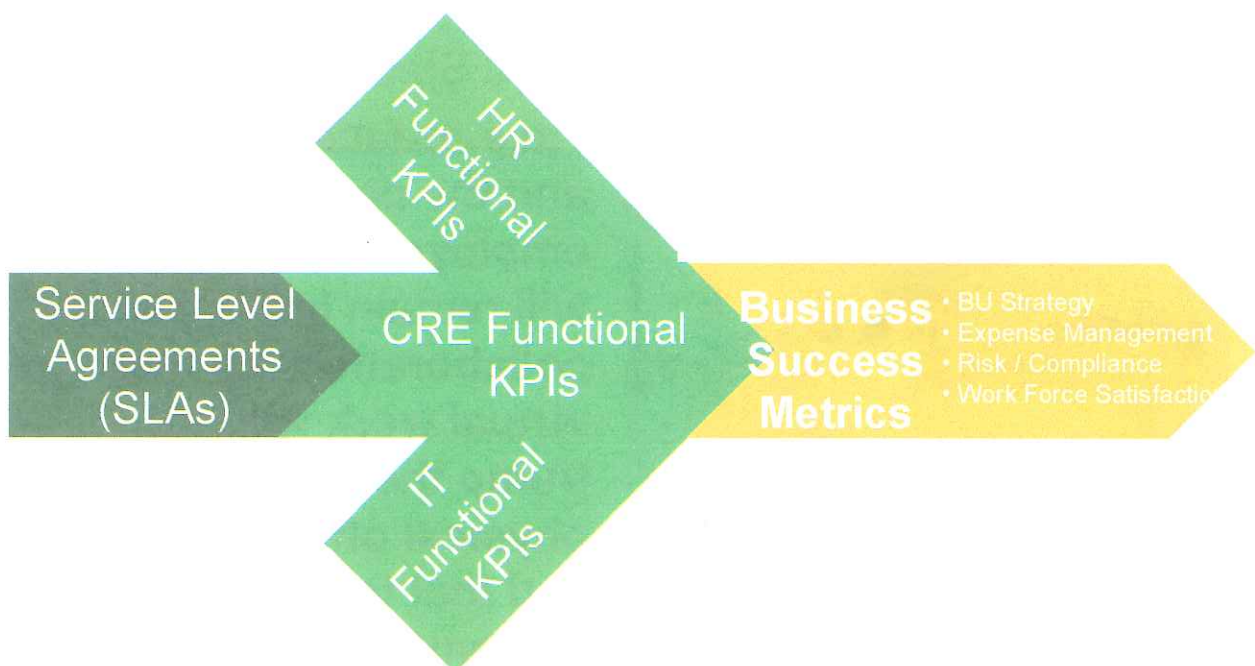
Enabling the model

The super nucleus is the integrated relationship management, planning, systems and strategy for support functions like CRE, IT, Finance, HR.

✓ **A front-line enterprise resource … not a back office shared services function**

Super Nucleus Named
by Craig Robinson, Cassidy Turley

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Unified metrics

HR Functional KPIs

Service Level Agreements (SLAs)

CRE Functional KPIs

IT Functional KPIs

Business Success Metrics
• BU Strategy
• Expense Management
• Risk / Compliance
• Work Force Satisfaction

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Technology and workplace

Bold Statement

Work will go to the worker, as technology advances the amount of memory personal computing devices will have, creating a "bring your own technology" ethic to the workplace

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Location strategy and workplace

Bold Statement

Face-to-face interaction and the need for employees to connect will remain important to collaboration, so that virtual work will not trump the need for physical office space, and that today's 'smaller and smarter' office trend will accelerate

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Location strategy and the role of place

Bold Statement

Manufacturing jobs will be "re-shored" in greater numbers as we advance toward 2020, and as we see supply chains become more localized

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Technology's 'Consumerization'

Bold Statement

The cloud will likely become irrelevant as a result of dramatic increases in personal computing power, another driver of the BYOT ethic and the widespread use of tablets, iPhones, Droids, etc.

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BYOT – How likely?

"I think that senior leaders will integrate technology into the workplace itself to support increased productivity. Yes, that's going to happen. They will have to do it. They'll either lead into that or they'll get dragged into that. With the 'consumerization' of technology, it shows up whether you like it or not. I'm more cautionary on the part dealing with applications of technology by CRE out to the general population." - Chris Owens, Microsoft

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Sustainability

Bold Statement

Buildings, sometimes connected by micro grids, will be both consumers and producers of energy. The evolutions in energy storage will impact building operations, transportation and planning – creating many more 'net-zero' energy efficient facilities

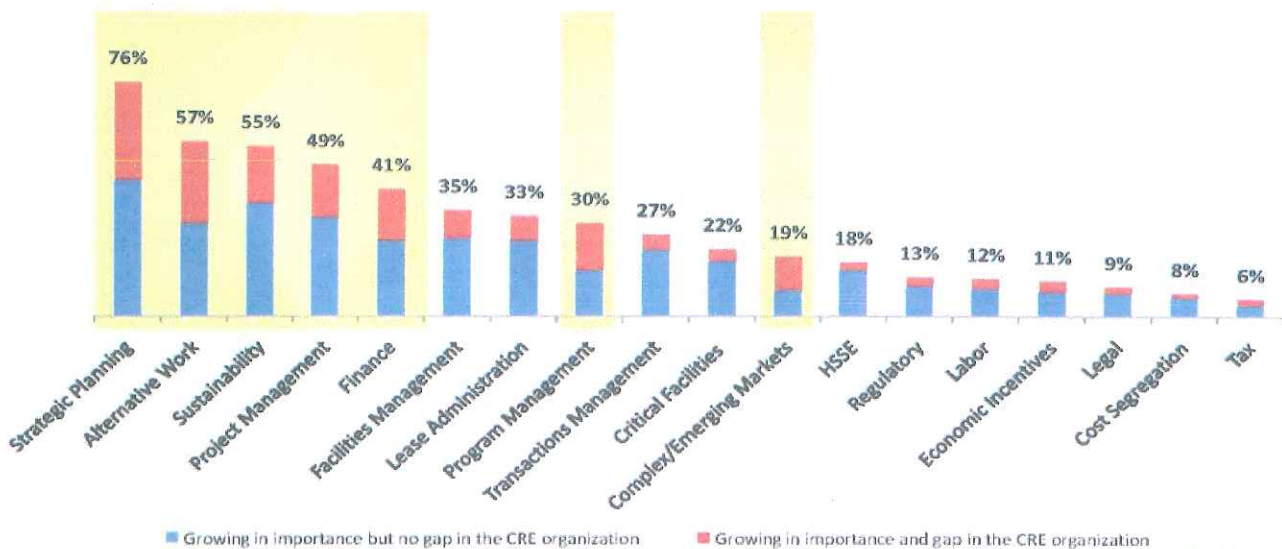CoreNet GLOBAL

Enterprise leadership

Bold Statement

By 2020, the corporate real estate leader will evolve from a subject matter specialist focused on execution to integrators, change agents & strategists

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Assessment of *Technical Skills* Growing in Importance

- *Top skills growing in importance include **newer specializations within the industry**, as opposed to traditional CRE functions.*
  - *Top five skills also reflect largest capability gaps. Two additional skills reflect substantial capability gaps, but are considered less important.*

Strategic Planning 76%, Alternative Work 57%, Sustainability 55%, Project Management 49%, Finance 41%, Facilities Management 35%, Lease Administration 33%, Program Management 30%, Transactions Management 27%, Critical Facilities 22%, Complex/Emerging Markets 19%, HSSE 18%, Regulatory 13%, Labor 12%, Economic Incentives 11%, Legal 9%, Cost Segregation 8%, Tax 6%

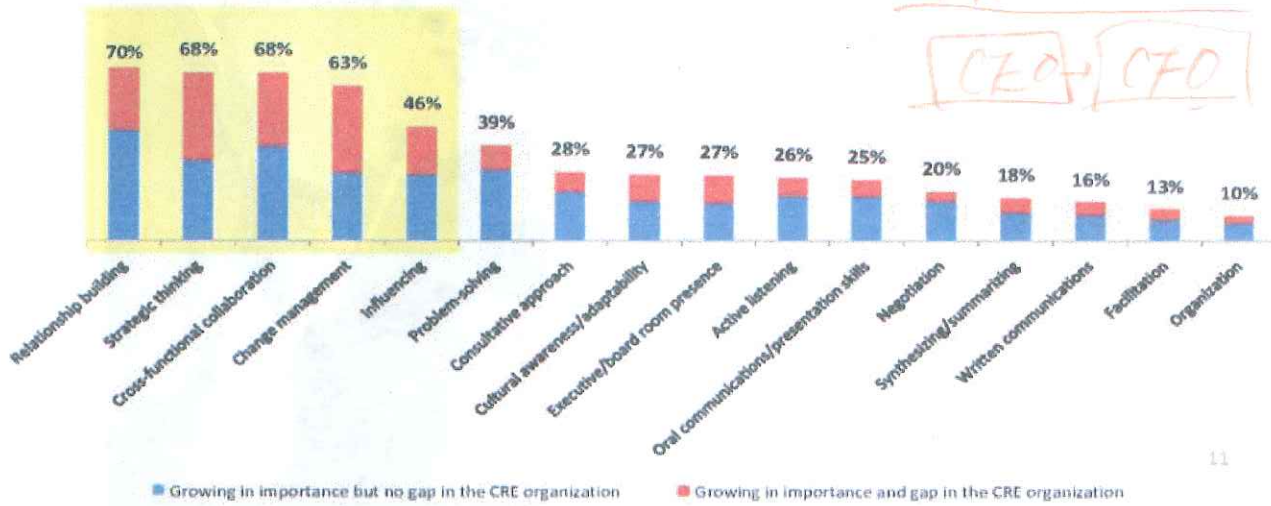■ Growing in importance but no gap in the CRE organization   ■ Growing in importance and gap in the CRE organization

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Assessment of *Soft Skills* Growing in Importance

- The top soft skill – **relationship building** – reflects a capability gap, but less so compared to the next three skills.

70%	68%	68%

Bar chart percentages (left to right): Relationship building 70%, Strategic thinking 68%, Cross-functional collaboration 68%, Change management 63%, Influencing 46%, Problem-solving 39%, Consultative approach 28%, Cultural awareness/adaptability 27%, Executive/board room presence 27%, Active listening 26%, Oral communications/presentation skills 25%, Negotiation 20%, Synthesizing/summarizing 18%, Written communications 16%, Facilitation 13%, Organization 10%

■ Growing in importance but no gap in the CRE organization   ■ Growing in importance and gap in the CRE organization

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