

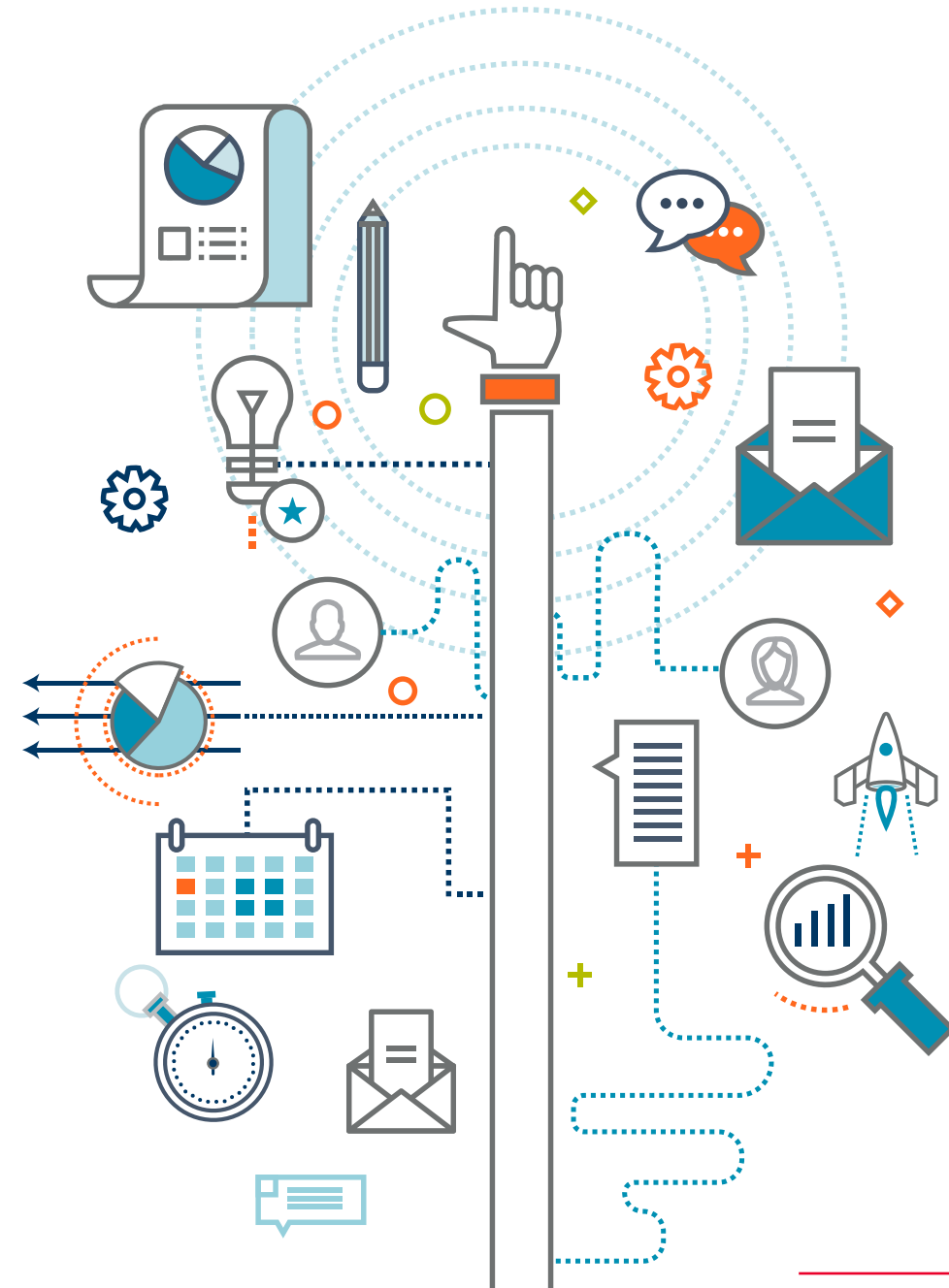
LEADING AN ACTIVE RECOVERY





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Leading an Active Recovery

As the planning horizon for the recovery has extended well beyond what was anticipated a year ago, companies are reviewing strategic options and sizing the opportunity to reassess their real estate. It is tempting to seek short-term savings by reducing space. However, made in a vacuum, such reactions can undermine enterprise goals. It is important to consider how targeted reinvestment can help address the intersection of people and place that ultimately drives company performance.

Now that we've all experienced managing during the pandemic, how do organizations layer those experiences with employees' expectations, and parlay the insight into action? In this constantly changing situation, how can leaders boldly embrace the uncertainty, understand the expectations of employees and manage the risks of both action and inaction? Considering the C-suite attention, all stakeholders are focused on deriving the best combination of outcomes upon return, and continuous improvement beyond.

It is easy to say, harder to do. During 2020, organizations were reluctant to change their workplaces (due to uncertainty). Meanwhile, employee behaviors changed, new habits formed and expectations evolved. Effectively realigning expectations between employer and employee forces numerous challenges. 2020 disrupted operating models, and new operating models emerged that improved productivity independent of the physical space where the employee was working. As we enter active recovery, the operational systems will need to evolve to ensure returning employees are prepared and productive

when in the office or places they return to. These places will need to be highly functional and sustainable, delivering high quality experiences to encourage engagement all while balancing cost.

How these operating models evolve is equally important to what they evolve into. Rapidly changing businesses have embraced the Agile methodology for creating and iterating products for the last twenty years. Cushman & Wakefield advocates adapting the iterative principles of Agile product development to the planning, delivery and testing of new workplaces to ensure a multi-disciplinary, evidence-based and consumer-experience mindset.

This guide enables leaders to navigate opportunities and manage risk related to people and space by highlighting how iterative problem-solving can satisfy different stakeholder priorities and engage employees. Traditionally, (If we add traditionally, we should remove the word "typically") real estate is typically inflexible due to multi-year commitments, this will require senior stakeholders to lead through the changes ahead with an emphasis on how the space and surrounding infrastructure can respond to the needs of the employees that are using and managing the space and operating models. With a highly engaged workforce and a beneficial experience as the ideal outcomes, the variety of priorities need to be identified, mapped, and tracked. Many task forces were formed in 2020 to prepare for a safe return to the office and now these influential consortia need to renew efforts to actively design using agility and iteration to sustain the changes to come.



“Our space is empty; we need to fill desks!”

— CFO



“If we're going to survive as a company, we need new ways to do our best work.”

— COO



“Our culture seems to be running on fumes.”

— CHRO



Applying Agile Principles to Managing Uncertainty

As vaccine confidence grows, an on-ramp back to the office is emerging, but questions abound. While we see an acute interest in “what everyone else is doing,” we notice a hesitancy to move forward to resolve the unique set of challenges that each organization faces. The path forward is one of action, of learning about the current condition, of modeling alternatives to support decision-making and guiding through change.

Piloting and “test & learn” is a core principle of Agile methodology. Piloting hybrid work styles and workplaces in anticipation of learning more about what could become new workplace norms is an effective way to manage uncertainty. This is an opportunity to build with a focus on the employee experience, while managing some of the people risks inherent in an erratic return to the workplace. The process of piloting means anticipating trial and error, re-thinking and re-solving challenges that emerge. Pilots are typically small, so there is an opportunity to learn how people, systems and operating models will respond to the new workplace norms. Through iteration and practice, we expect to learn and define best practices that can be deployed at scale.

Agile is particularly applicable in this new corporate real estate environment. The return to the office is not a single event. Leaders need to understand the short game and the long game and recognize that the former will help define the latter. An Agile process is well suited to support quick iteration and reaction. It also helps companies engage their end users throughout the process, not just at the initial phase of problem definition and post occupancy. The principles of Agile methodology that best apply to the workplace are shown to the right.

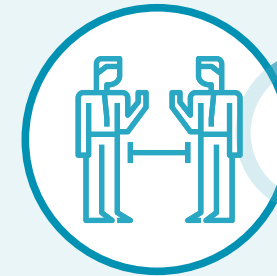
THE NEW WORKPLACE
WILL CONTINUE TO
EVOLVE BEYOND WHAT
WE KNOW TODAY



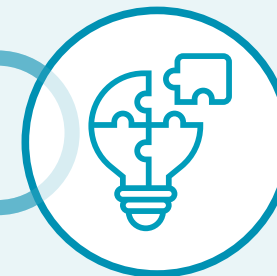
VACCINE DISTRIBUTION
CONFIDENCE



ON-RAMP BACK
TO THE OFFICE



HYBRID WORKING
“PILOTS”



NEW WORKPLACE
NORMS



BEST PRACTICES
AT SCALE

THE PRINCIPLES OF AGILE METHODOLOGY THAT BEST APPLY TO THE WORKPLACE

(excerpt from The [Twelve Agile Manifesto Principles](#))

- 1. Deliver customer satisfaction through early and continuous delivery.** Ensure regular communication; focus on a successful “day one” (be prepared for many “day ones” since people will not all return on the same day); anticipate employee (our internal customer) pain points; provide mechanisms for timely feedback.
- 2. Accommodate changing requirements throughout the development process and deliver working solutions frequently.** Create processes and tools that allow for feedback and change; anticipate changes to protocols, schedules, occupant requirements, etc.; maintain a system for adjustment; improve processes based on previous experiences. Create an ambassador network where ideas can be shared prior to finalization; pose questions that ask, “will this work?”, “what’s missing”, “have any priorities been overlooked?”
- 3. Collaborate between the business stakeholders and developers throughout the project.** At this uncertain time, anticipate that business stakeholders will be exploring changes to priorities, client engagement strategies, workflows, operations etc.; involve a diverse consortium of stakeholders; seek buy-in through involvement in developing solutions so that their feedback is critical for the emergence of successful workplace scenarios.
- 4. Engage the project team regularly to become more effective.** Those engaged in this process bring a variety of norms, practices, expectations and timelines. Articulate and document these to create and stay aligned as a high-performance team; share the successes and limitations as a team.
- 5. Keep it simple.** Develop just enough to meet the needs right now; take small steps to create a basis for growth; don’t attempt to solve for all variables at once; build and grow based on incremental success.



The pandemic experience has uncovered the fluidity and fragility of situations we previously considered to be an absolute. The workplace used to be designed to reflect and enable how we work. Now employees have adapted to the pandemic's enforced alternative ways of working, but workplaces have so far remained the same. This allows us the opportunity to move forward in new ways. The principles of Agile product development are highly effective in dynamic environments, but it can be challenging for the real estate function, whose historic drivers are long-term and inflexible:

- Long term leases require extensive commitments, yet many business strategies shift annually
- The timespan from project inception to space occupancy can be longer than a business cycle, therefore costly to intervene and adjust in response to rapid business changes and potentially negatively impacting Environmental, Social and Governance (ESG) targets
- Capital invested at the beginning of a lease is often depreciated over 7-10 years, making changes to the space that require further investment hard to afford.

In the months ahead, we see an evolving runway to the new normal, and one that includes the need to re-think real estate.

GAINING THE EMPLOYEE PERSPECTIVE

Experience per Square Foot™, Cushman & Wakefield's proprietary survey diagnostic tool, is the starting point to create evidence based, compelling experiences for employees, regardless of where they work in the ecosystem. XSF gives employers the information needed to prioritize workplace investments and improve business performance. Faced with disruptions, companies have a sense of urgency to act.... yet complete uncertainty on where to start in developing the future workplace. In-depth knowledge of the worker experience is an ideal first step and can be the catalyst for future workplace development.

For more information visit [Experience per Square Foot™](#)

Download the full [Future of Workplace report here](#).



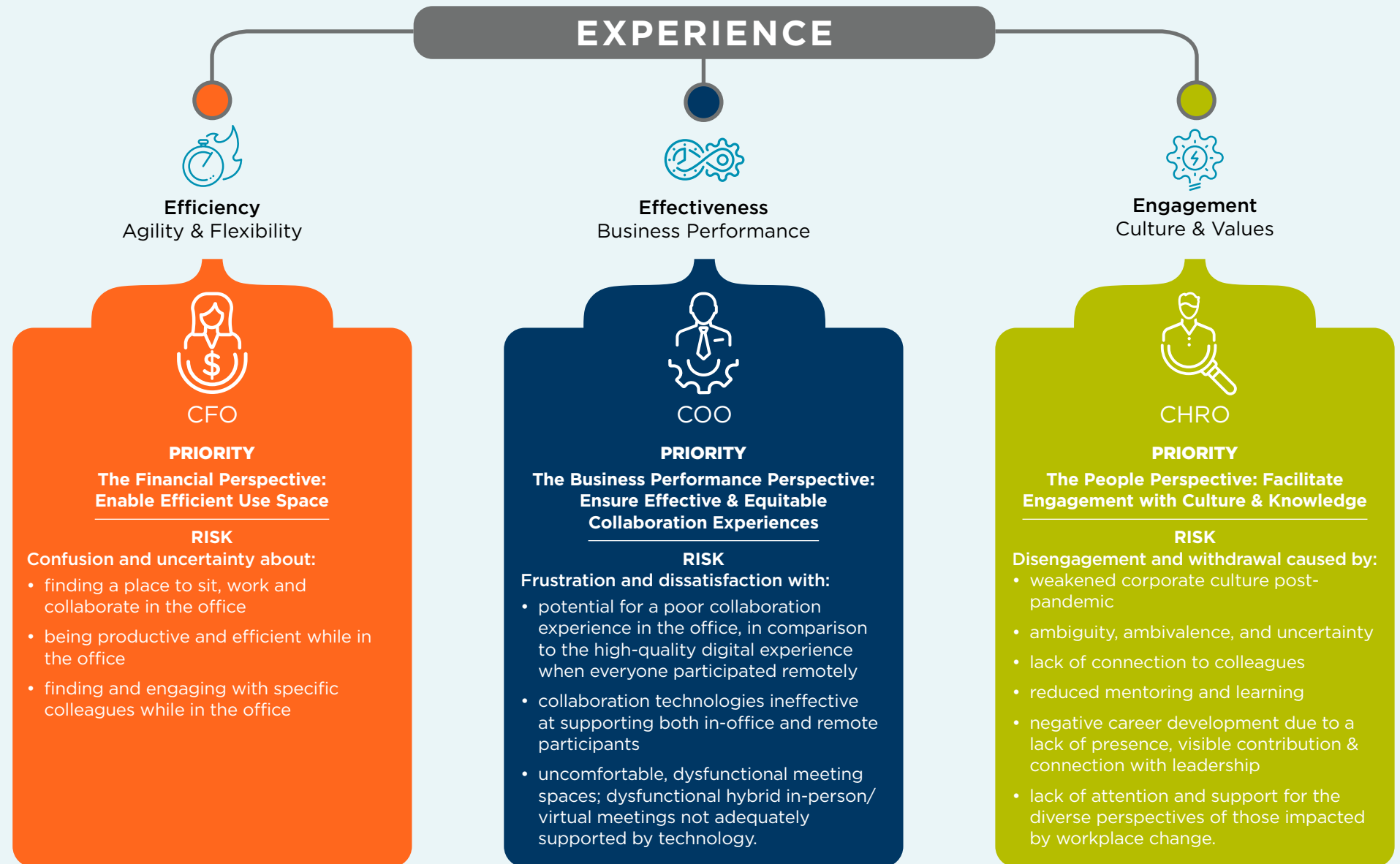
Assessing Stakeholders, Priorities, and People Risks in Different Organizations

Given that people are both the largest driver of success and the biggest cost in most organizations, leaders agree that a thriving workforce supports the achievement of business objectives. While a positive employee experience may be a universal goal, priorities typically differ among stakeholders. In an effort to explore how various stakeholder's perspectives color their outlook on how employees can be best supported, the graphic to the right has linked the priorities: Efficiency, Effectiveness and Engagement, with key stakeholder roles. Each of these impact the other and together they the overall experience.

Because organizations likely have more than one of these priorities championed by the leadership team, a coordinated effort to examine all points of view and related people-risks is a critical first step. The goal is to form a plan and coordinate efforts efforts to move forward in a multidisciplinary and iterative way.

It is clear that these three areas of emphasis, Efficient, Effective and Engaging, are not mutually exclusive in their impact on business success and employee experience. They can be layered - coordinated and championed by the related key stakeholder - to achieve desired business goals. The following framework a guide to managing stakeholder priorities through a cadence of focused measurement and iterative management of the decision-making.

ALIGNING SPACE WITH STAKEHOLDER PRIORITIES





Codependent Outcomes

Stakeholders can have both strong priorities and occasionally, competing incentives, to focus on efficiency, effectiveness or engagement. In the new workplace ecosystem, it is more important than ever to understand that investment or disinvestment in one priority can inadvertently suppress success in another. A balanced approach weights priorities so that the resulting pilots resolve the inherent tension between effective, efficient and engaging outcomes.

In order to focus future workplace scenarios on people and business outcomes, we need to align diverse skills, priorities and budgets to drive shared awareness and accountability for success.

To be successful, any strategy/or initiative that is developed by one of the key stakeholders must consider the impact to other initiatives as there is an inherent co-dependency to achieve success.

In an integrated effort, efficiency, effectiveness and engagement are all addressed, while keep the overarching goal of delivering optimum employee experiences that also support a thriving business.



Efficiency

- Reduce real estate (space)
- Reduce individual assigned desks
- Reduce carbon footprint
- Reduce work-related travel
- Reduce waste (wasted time and wasted space)



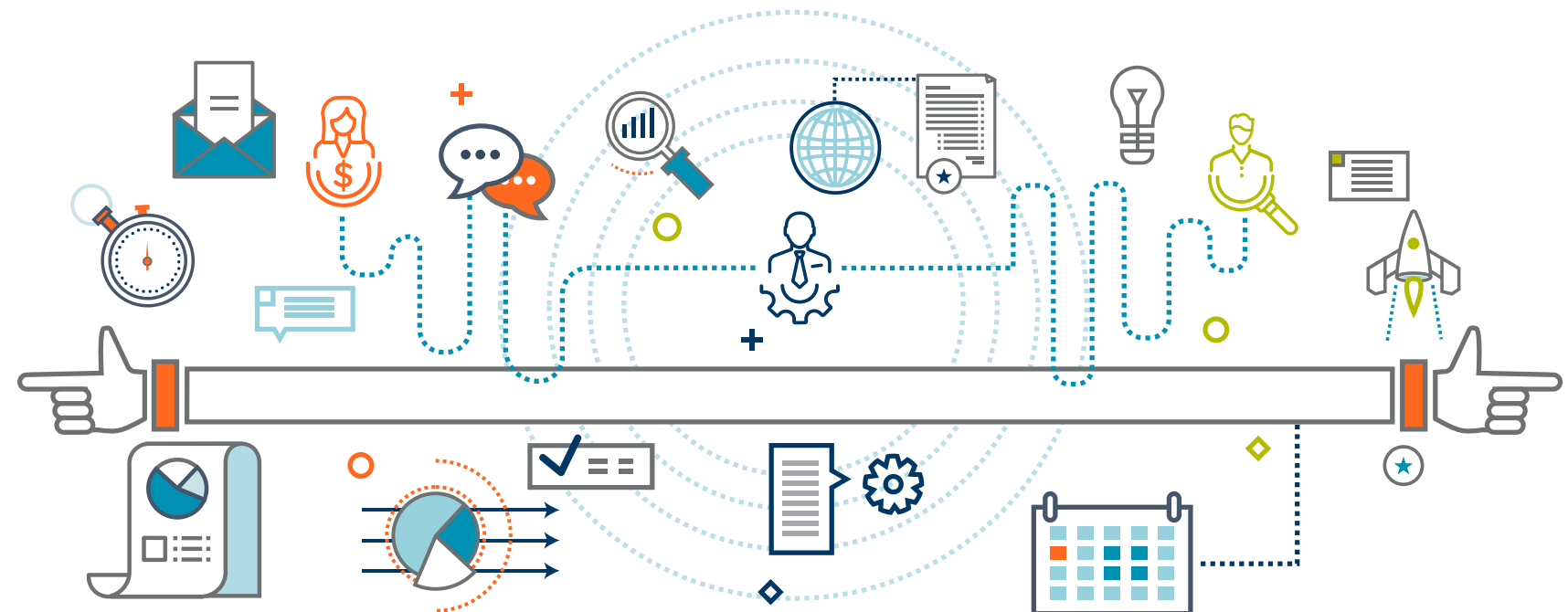
Effectiveness

- Increase flexibility & choice of when and where to work
- Increase spaces for collaboration and innovation
- Increase knowledge transfer and speed of decision making
- Reduce waste (wasted time and wasted space)



Engagement

- Increase focus on talent, mentorship, and career opportunities
- Increase focus on community, shared values and culture
- Increase engagement and Inspire people to do their best work
- Increase wellbeing and reduce absenteeism





The Financial Perspective on Mitigating Risk




People returning to the office need confidence that they have a place to work, find and connect with their colleagues.

Priority & Stakeholder	Efficiency:  - CFO	Effectiveness:  - COO	Engagement  - CHRO
Need	<ul style="list-style-type: none"> Understand the demand and supply, i.e., how many people want to be in the office on any given day and how many can be accommodated. Install technology solutions to manage the demand and use of space. Understand the current preferences and future intentions of those assigned to a location before reducing the space. If office locations are to be reduced, quantify the demand and determine alternatives such as flex-office space. 	<ul style="list-style-type: none"> Determine requirements of people returning to the office Monitor actual use patterns of the returned workforce Adapt the workplace to meet emerging needs Defer reductions until there is clearly a surplus Create policies, workplace norms and/or team agreements that address the new ways of working together Ensure a safe workplace for team members to return 	<ul style="list-style-type: none"> Motivate the workforce to return to the office Add inspiring and innovative spaces to drive social connections, support mentoring and knowledge sharing Add resources for employees, such as dependent care, mental health care, nutrition, etc. to ensure equity of experience Enhanced on-site amenities New workplace policies addressing <ul style="list-style-type: none"> » new ways of working » travel » commuting
Measurement	<p>Measurement Goals:</p> <ul style="list-style-type: none"> Monitor demand + supply Monitor utilization by space type Active management of space <p>Relevant Measures:</p> <ul style="list-style-type: none"> Security & access Vertical circulation Planned density Utilization Lease flexibility <p>Measurement Tools:</p> <ul style="list-style-type: none"> Building Management Systems (BMS) Reservation systems Sensors Experience per Square Foot™ (XSF) employee insight tool and consulting 	<p>+ Measurement Goals:</p> <ul style="list-style-type: none"> Employee sentiment Business performance Employee Workplace Satisfaction <p>+ Relevant Measures:</p> <ul style="list-style-type: none"> Ease of access Employee experience Access to people and information Tech enablement Degree of choice and flexibility Indoor air quality <p>+ Measurement Tools:</p> <p>Organizational Network Analysis (ONA)</p> <p>+ Goals, Measures & Tools from Efficient</p>	<p>+ Measurement Goals:</p> <ul style="list-style-type: none"> Employee engagement <p>+ Relevant Measures:</p> <ul style="list-style-type: none"> Meeting & event space utilization Amenities utilization Social space utilization Wellbeing space utilization Event attendance <p>+ Measurement Tools:</p> <ul style="list-style-type: none"> Badge data <p>+ Goals, Measures & Tools from Efficient and Effective</p>
Cadence	<ul style="list-style-type: none"> Bi-annual employee sentiment surveys (demand) Monthly utilization summaries (supply) Continuous real-time monitoring with sensors and IoT data (utilization) 	<ul style="list-style-type: none"> Weekly monitoring of spaces used and activities undertaken <p>+ Cadence from Efficient</p>	<ul style="list-style-type: none"> Real-time monitoring of the employee experience <p>+ Cadence from Efficient and Effective</p>



The Business Performance Perspective on Mitigating Risk




Improve the current workplace to become a dynamic meeting environment that supports the in-office and remote participation experience equally.

Priority & Stakeholder	Efficiency  - CFO	Effectiveness  - COO	Engagement:  - CHRO
Need	<ul style="list-style-type: none"> Develop space and technology standards Implement enterprise-wide scheduling tool, available on mobile devices Enable one-touch meeting-start to reduce frustrations and productivity loss from delayed meeting commencement due to technology connection issues 	<ul style="list-style-type: none"> Ensure screen-share, audio, and video can be accommodated in all meeting spaces so that all participants can contribute equally Consistent experience for all participants independent of their location Train users and encourage use of compatible digital whiteboards for shared read/write capabilities Eliminate inefficiencies with scheduling meeting facilities Rapid meeting start-up, without frustrations due to connectivity, technology tools, visibility and audio 	<ul style="list-style-type: none"> Provide mobile access to conference room scheduling and selection of resources needed for the meeting Reduce meeting fatigue Provide services to support good quality meetings Address risks of feeling discriminated against and FOMO Address employee retention implications
Measurement	<p>Measurement Goals:</p> <ul style="list-style-type: none"> Save cost and time Eliminate redesign and construction of unique solutions Reduce carbon waste (from fitout & demolition) Reduce overall space requirement <p>Relevant Measures:</p> <ul style="list-style-type: none"> Total area Renovation budgets Waste avoidance <p>Measurement Tools:</p> <ul style="list-style-type: none"> Project management dashboards Portfolio planning dashboards 	<p>+ Measurement Goals:</p> <ul style="list-style-type: none"> Ease and speed of scheduling Reduce underutilized (no-show) bookings No loss of productivity at the start of meetings <p>+ Relevant Measures:</p> <ul style="list-style-type: none"> Tech enablement A/V utilization <p>+ Measurement Tools:</p> <ul style="list-style-type: none"> Experience per Square Foot™ (XSF) employee insight tool and consulting <p>+ Goals, Measures & Tools from Efficient</p>	<p>+ Measurement Goals:</p> <ul style="list-style-type: none"> Reduce burnout Reduce absenteeism Improve employee wellbeing <p>+ Relevant Measures:</p> <ul style="list-style-type: none"> Attrition Utilization of employee support services <p>+ Measurement Tools:</p> <ul style="list-style-type: none"> Human Resources dashboards <p>+ Goals, Measures & Tools from Efficient and Effective</p>
Cadence	<ul style="list-style-type: none"> Bi-annual summary of attendance and space use to determine triggers for reconfiguration of space to add meeting functionality and improve the experience 	<ul style="list-style-type: none"> Weekly monitoring of spaces used and activities undertaken <p>+ Cadence from Efficient</p>	<ul style="list-style-type: none"> Weekly data of employee experience of both those collaborating in the office & remotely <p>+ Cadence from Efficient and Effective</p>



The People Perspective on Mitigating Risk

Ensure people are thriving in and out of the office by aligning workplace change to corporate values and culture, to motivate appropriate behaviours across the new workplace ecosystem.

Priority & Stakeholder	Efficiency:  - CFO	Effectiveness:  - COO	Engagement:  - CHRO
Need	<ul style="list-style-type: none"> Develop space and technology standards Implement enterprise-wide scheduling tool, available on mobile devices Enable one-touch meeting-start to reduce frustrations and productivity loss from delayed meeting commencement due to technology connection issues 	<ul style="list-style-type: none"> Change management programs to re-introduce people to the workplace and prepare for the changes to be found therein. Experience management /workplace hospitality programs to support employees who visit only occasionally Re-training of managers on managing remote teams Team agreements on how to work in a more flexible way Align to ESG targets 	<ul style="list-style-type: none"> Ensure employees are feeling positive about the organization, culture and DE&I, and that their needs are met by the new workplace strategy Review and recast corporate values post-pandemic Understand employee sentiment in relation to corporate culture Understand organizational networks Host events that use the workplace in alignment with the corporate values Coaching workforce on checking-in with each-other for health and well-being Test and learn
Measurement	<p>Measurement Goals:</p> <ul style="list-style-type: none"> Survey the employee experience in the new workplace ecosystem \$/SF improvements – align experience to operational investment <p>Relevant Measures:</p> <ul style="list-style-type: none"> Business performance <p>+ Measurement Tools:</p> <ul style="list-style-type: none"> Dashboarding of footprint changes 	<p>+ Measurement Goals:</p> <ul style="list-style-type: none"> Understand employee experience across the workplace ecosystem Innovation <p>+ Relevant Measures:</p> <ul style="list-style-type: none"> Engagement scores Speed to market, new product development Performance management results <p>+ Measurement Tools:</p> <ul style="list-style-type: none"> Annual performance review tools ONA – Organizational Network Analysis Experience per Square Foot™ (XSF) employee insight tool and consulting <p>+ Goals, Measures & Tools from Efficient</p>	<p>+ Measurement Goals:</p> <ul style="list-style-type: none"> Inclusive, diverse workplace Engaged workforce DEI as a sustained organizational priority <p>+ Relevant Measures:</p> <ul style="list-style-type: none"> Absenteeism/ wellbeing Retention rates Attraction & recruitment success DE&I metrics <p>+ Measurement Tools:</p> <ul style="list-style-type: none"> Human Resources dashboards <p>+ Goals, Measures & Tools from Efficient and Effective</p>
Cadence		<ul style="list-style-type: none"> Weekly monitoring of spaces used, and activities undertaken Weekly check-ins with teams to gather feedback on the workplace & engagement Bi-annual summary of sentiment, attendance and space use to determine triggers for reconfiguration of space <p>+ Cadence from Efficient</p>	<ul style="list-style-type: none"> Bi-annual XSF Real-time monitoring of the employee experience Determine any additional support via change management or experience management <p>+ Cadence from Efficient and Effective</p>



Supporting our Clients Across the Iterations of Change

DECISION CRITERIA HELPS SOFTWARE COMPANY ALIGN PORTFOLIO TO STRATEGY



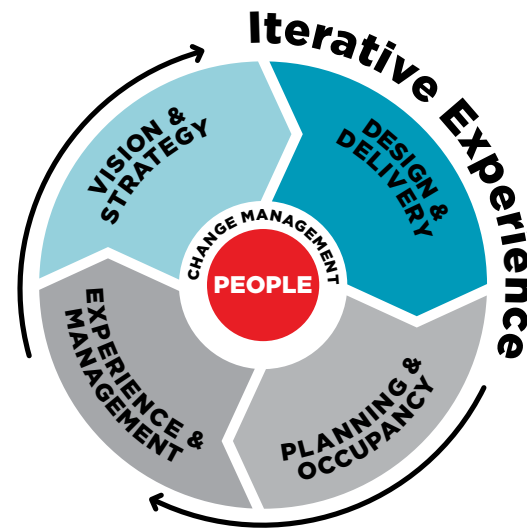
Our client wanted to enact change across key labor hubs but lacked consistent criteria to guide decisions. Cushman & Wakefield workshopped the leaders' vision for an efficient workplace and combined that with the possibilities for lease cost reduction via a mark-to-market analysis of sites of >7,5000 SF. Together these shaped new Workplace Guiding Principles, and a decision criteria rubric for both existing and new sites. Codifying the executive team's vision for both portfolio and workforce led to greater efficiency and engagement.

"All of this was well done...the strategic value of this tool and the process empowers our C-Suite and organization." – Tim G., Software executive

CULTURE-DRIVEN INSURER USES PANDEMIC PAUSE TO BOOST EMPLOYEE EXPERIENCE



Our client needed to understand the remote working experience as well as rethink paused workplace projects at the pandemic-emptied headquarters. Via Experience per Square Foot™ XSF@home, we diagnosed the experience of employees from 11 HQ buildings, then shaped a company-wide strategy to canvas the total employee population. XSF revealed three return priorities that required stakeholders from multiple functions, especially HR, to be engaged. The voice of employees elevated the need to improve onsite collaborative technologies while making the workspace less distracting, more effective and appealing. A gap appeared between a culture that was not embracing remote work and employee preference for more flexibility, so future goals now include driving a 5% increase the company's XSF Experience Score in 2021.



62 SITES IN 9 DAYS: GLOBAL HARDWARE COMPANY DESIGNS & DELIVERS RETURN STRATEGY



With the onset of the pandemic, our client had a tight, nine-day window to plot a return strategy for 62 sites. Cushman & Wakefield gathered 167 floorplans and applied our Safe 6 planning principles. The revised capacity studies were used to plan new circulation routes and ultimately create a tailored Return-to-Office checklist for each site, building, and floor. The client gained a highly effective return strategy with a documented, scenario-based methodology; data analytics for pre and post occupancy by floor, building and site; and move plans that helped identify the site modifications and phasing to bring employees back.

NEWFOUND ENGAGEMENT FOR GLOBAL BIOTECH FIRM DRIVEN BY OCCUPANCY PLANNING



When an employee survey revealed more than three-quarters of employees felt they were >90% productive at home during the pandemic, our client sought to understand the impact of increased work-from-home on the portfolio. Equally important were reimagining how the office could become dynamic, flexible, and inspiring. After interviewing stakeholders, we proposed key design principles to energize employees, enable smarter working, and empower innovation. We also addressed the potential real estate impact at a main campus resulting in prioritized business cases for change and savings; contingency scenarios; and illustrative communication materials to demonstrate how employee productivity and activity are achieved in a reconfigured campus.

Solutions for the Entire Occupier Lifecycle

The COVID-19 pandemic accelerated change that had been reshaping how companies approach their real estate for more than a decade. Cushman & Wakefield has responded with a consultative approach rooted in the knowledge that no one solution fits all client priorities, especially today. We integrate with client processes, teams and technology to help gain control over spend, reporting, services, and space management. Visit [Cushman & Wakefield](#) to learn about how our services in Workplace, Integrated Facilities Management, Project & Development Services and Integrated Portfolio Management are supporting occupiers worldwide as they seek their own optimal balance of places and ways to work.

INFORMED PERSPECTIVE FOR INVESTORS

Our deep experience with occupier clients provides perspective on priorities that influence tenant choices. In the near term we expect investors to:

- Enhance technology and connectivity for occupiers of multi-tenant buildings driving & tracking amenity use, building access, communication and tenant convenience.
- Greater focus on wellbeing will lead to activating outdoor and communal areas, wellness programming, specification and certification.
- Partner with tenants on increased brand awareness, the “welcome back” experience, and increased community engagement



About the Authors

Active Recovery was developed in collaboration with colleagues around the world with expertise in Workplace planning and delivery, Integrated Facilities Management, Integrated Portfolio Management Project & Development Services, and our Portfolio Services Centers. It is based on insights from clients evolving new ways of working – and the future of work which is driven by the rapid acceleration the pandemic brought to workplace strategies trends. Primary authors who shaped these insights into this paper are [Despina Katsikakis](#), Global Head of Total Workplace; [Antonia Cardone](#), Americas Head of Total Workplace; [Elizabeth King Forstneger](#), Americas Head of Integrated Portfolio Management; and [Rachel Casanova](#), Head of Workplace Innovation.

For More Information

Learn more about our [Total Workplace Services](#) and how our [Experience Per Square Foot™ \(XSF\)](#) research is giving our clients the immediate insights they need to strategize through the accelerated evolution of the workplace and workplace ecosystem. Our [Integrated Portfolio Management](#) solutions service combines the strength of our Transaction Management, Portfolio Administration and Portfolio Strategy expertise to provide comprehensive portfolio solutions, while [Integrated Facility Management](#) solutions help you make the connection between the human experience on site, and the behind-the-scenes operations that support them.