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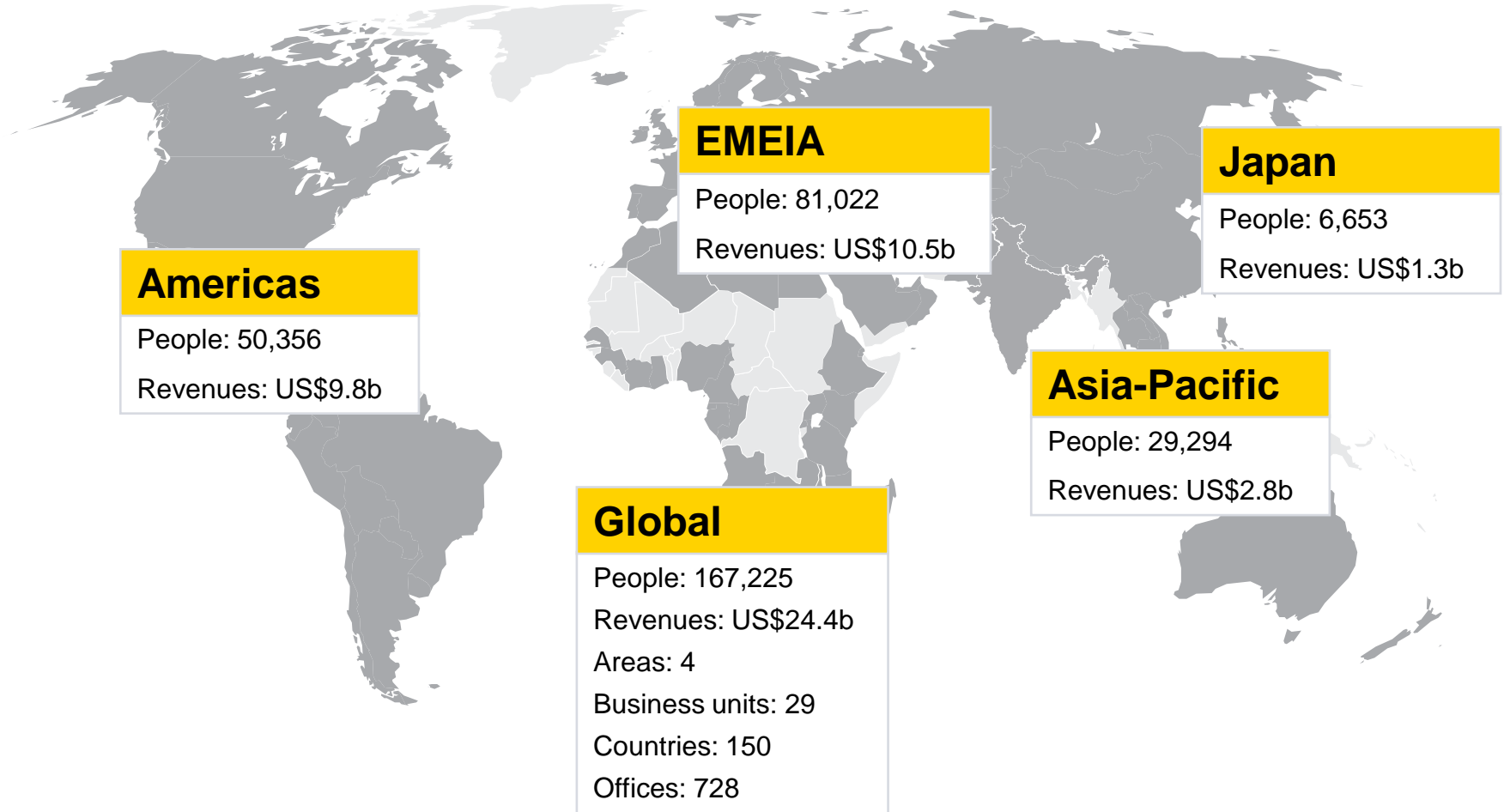
July 17, 2013



# Learning Objectives

- ∞ To explain the importance of Corporate Strategic alignment
- ∞ To discuss the impact of developing a master plan
- ∞ To critically discuss the ways in which FM's can transition our work environment through behaviors vs. construction

EY is a global leader in assurance, tax, transaction and advisory services. Worldwide, our nearly 170,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.



# Our people

- ▶ 167,000 people based in 700+ offices in 150 countries.
- ▶ Each year we recruit 20,000-30,000 people.
- ▶ High in Universum's ranking of Most Attractive Employers.
- ▶ Our people culture is widely recognized



# Global Real Estate Vision (Aligned with Vision 2020)

Provide real estate solutions that optimally support and enhance our people, culture and shared values while minimizing the firm's total occupancy costs and improving the working environment



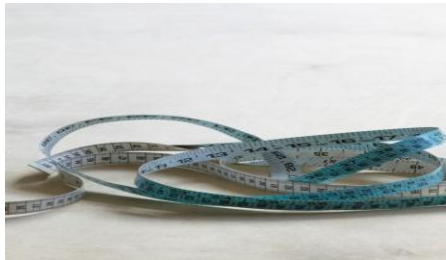
# Global Real Estate



- ▶ 700+ leases



- ▶ US\$1.1 billion annual spend



- ▶ 22 million SF/1 million m<sup>2</sup>

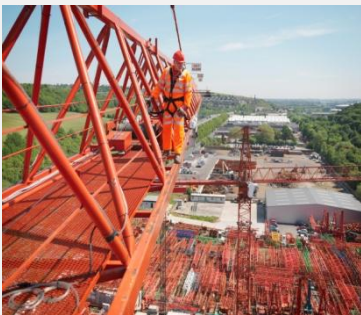


- ▶ 150 countries

# Global Real Estate Challenges, Key Initiatives and Successes

## Challenges

- ▶ One size does not fit all (recognize differences)
- ▶ Change management
- ▶ Partnership structure
- ▶ Finding the right talent in the right places



## Key initiatives

- ▶ Approvals
- ▶ Common KPI's
- ▶ Processes
- ▶ Project Management Platform
- ▶ MSA's (Architects, Furniture and Fixtures)
- ▶ Workplace of the Future



## Success

- ▶ FY 12 savings targets achieved
- ▶ 2020 strategy
  - ▶ Utilization/Free Address Model
- ▶ Organization fully staffed
- ▶ Establishment of a Global Lease Administration tool



# Global Workplace Trends

- Organizations are becoming more decentralized and global in scope to serve a broad geography of clients and distributed goods and services.
- Global competition is driving reduced overhead costs with greater emphasis on real estate costs
- **Technology advances continue to develop tools that are smaller and enable increasingly robust remote work**
- **Employees are demanding more flexibility for work hours and locations**
- The coming shortage of skilled workers will increase the existing need to compete to attract and retain the best talent
- Resultant trends within the office include:
  - Variety of work space types for activity based work
  - Activity based environment to promote mentoring and team work
  - Increased space for meetings and collaboration
  - Reduced individual space responding to robust technology and multiple work locations
  - Quantities of workplace seats based on actual occupancy trends
  - Informal spaces for socializing, collaboration and mentoring
  - Spaces intended for group innovation, problem solving, testing concepts
  - Technology enabled teaming, learning and collaboration with remote locations
  - Amenities and concierge services to support work/life balance
  - Branding of space to reinforce organizational culture across geographies
  - Increased demand that spaces are environmentally sustainable
- **General Industry job satisfaction surveys (1) Salary (2) Quality of work environment (3) Flexibility to work outside the office**



# Overview

## 🌀 What We Did?

- Global Real Estate lead 3 pilots to transition to an Activity Based Workplace based on Utilization
  - San Francisco, Atlanta, Sydney
  - Now have 5 additional wave two locations underway

## 🌀 Why?

- Aligned with Firm Strategy to Empower our People
  - Maintain Employee Focused Culture
  - Ability to grow without increasing cost or footprint
- Workforce & styles have changed
  - Today more than 50% of our people are ‘Generation Y’ and Millennials. These generations have grown up with, and expect, more “virtual working,” greater collaborative space and increased flexibility in working hours/location
  - Median age is 27

# Workplace of the Future

## What is Workplace of the Future?

### Three aligned strategies:

- ▶ People, Technology and Real Estate

### One big deliverable:

- ▶ Transforming our work spaces and the ways we work

### Drivers for change:

- ▶ The changing mix of our people (more than 50% now ages 18 to 34 years old)
- ▶ The changing pattern of work (more time spent working at client sites and remotely)
- ▶ New expectations as technology continues to evolve

### Workplace of the Future means:

- ▶ More open, engaging and collaborative office spaces
- ▶ More and better opportunities to work productively away from the office

## Three aligned strategies ... one big deliverable

Workplace of the Future is a global program that aims to develop a trust-based, “work anywhere” environment that supports exceptional client service and helps attract and retain the best talent.

As EY continues to grow – and technology, patterns of working and the mix of our workforce change – our work spaces need to adapt to meet these changes and empower us to succeed.

To capitalize on our globalization as a competitive advantage, the Workplace of the Future seeks to align our People, Technology and Real Estate strategies to create workplaces and support work styles that truly reflect the culture and business atmosphere of EY.

Over the coming years, Workplace of the Future will provide a framework to drive improvements to the work environment and working practices of our global workforce.

## Benefits to the business

- ▶ **Putting “people first”:** creating better working environments that support greater collaboration and engagement and strengthen our culture
- ▶ **Strengthening our employer brand:** improving our ability to attract and retain the best new talent by creating more collaborative workspaces and supporting virtual working
- ▶ **Delivering exceptional client service:** more engaged talent and better collaboration with colleagues and clients leading to higher quality of service
- ▶ **More room to grow:** creating space for an increasing number of people as we pursue ambitious growth targets for the business
- ▶ **Greater adaptability to change:** flexibility to change how we use office space and how we work, in line with changes to our business mix and our people
- ▶ **New efficiencies:** improving space utilization and reducing real estate costs



# The vision for an Activity Based Workplace

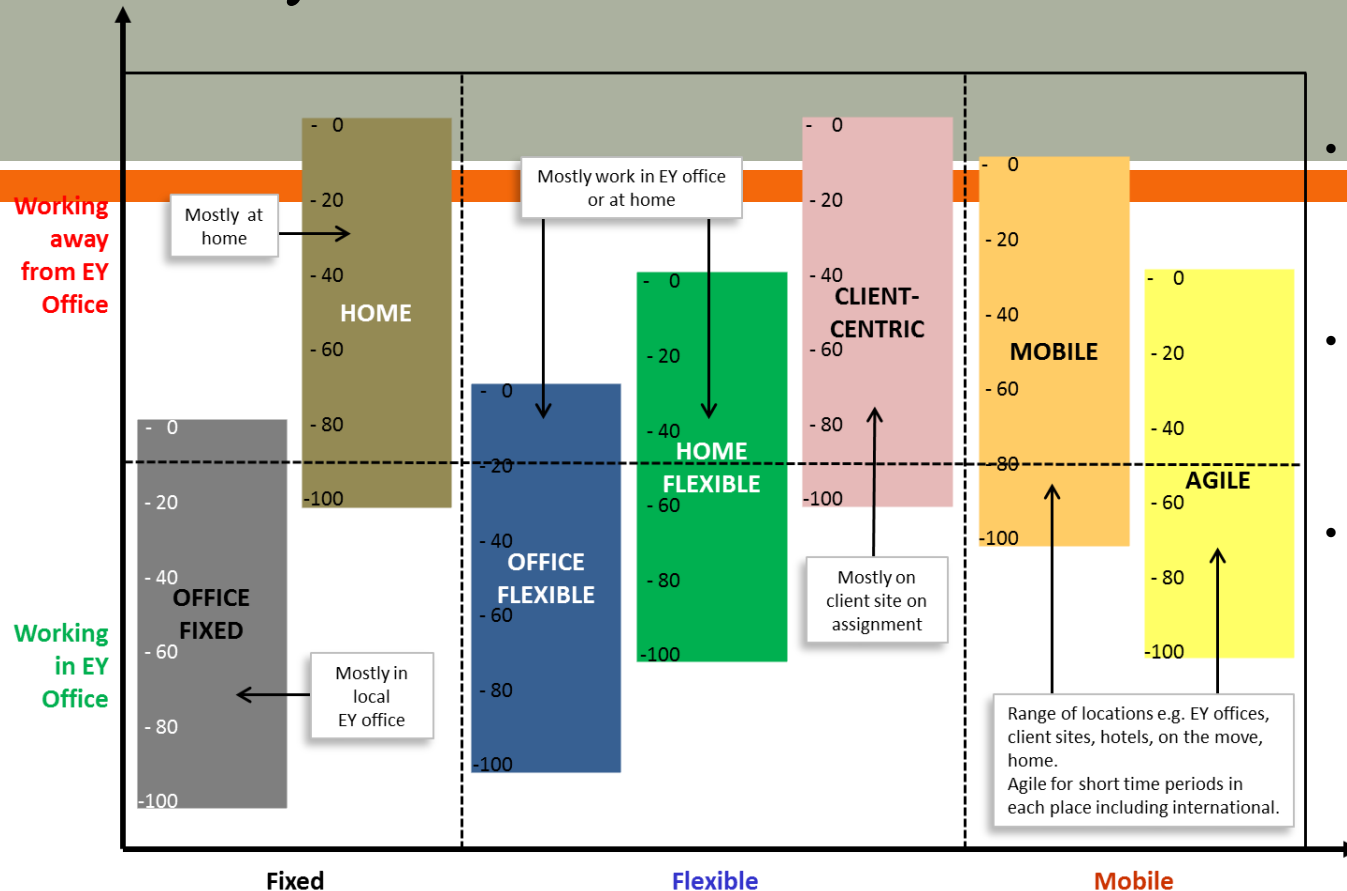
## Our vision is ...

**... to develop a trust based, work anywhere environment that supports exceptional client service and helps attract and retain the best talent.**

To achieve this we will:

- ▶ Develop a range of creative solutions to strengthen our culture and improve client service, employee engagement, productivity, and well being
- ▶ Ensure our working environments support greater collaboration and improved engagement with our colleagues and our clients
- ▶ Enable people to work effectively anywhere through the use of today's and tomorrow's technology
- ▶ Support our changing business mix by delivering greater flexibility in how we use office space and how we work
- ▶ Improve our space utilization and reduce our occupancy costs

# Workstyles



- **Client-centric:** works at client site for duration of engagements
- **Mobile:** works away from the office spending time at a variety of different external places
- **Agile:** high-impact interaction with significant travel, tending to spend little time in any one place

- **Office Fixed:** works from a dedicated desk
- **Home:** works from the domestic home office
- **Office Flexible:** works within one or more Corporate offices using hotdesks and collaboration facilities
- **Home Flexible:** balances time between Corporate office and domestic home office

# Overview

## ∞ Why (con't)?

- Work Environment has Expanded Beyond the Office
  - Leverage our current and future occupancy trends to make smarter real estate investments.
  - Our technology supports mobility
- What we Heard/Believe is Most Important?
  - Work-life balance, flexible hours, access to technology, teaming and social connections at work

# How We Executed?

## ☞ Aligned with Company Vision & Strategy

- Recruit the right talent, grow the business, and reduce (or avoid) costs

## ☞ Truly Understand your workforce

- Invest the time upfront

## ☞ It's not about physical work environment

- It's a partnership with IT & HR on developing a trust-based mobile work force
- The workplace becomes a TOOL for business needs
- Engagement of change management resources
- Most important TAKEAWAY!

# 12 Key Indicators

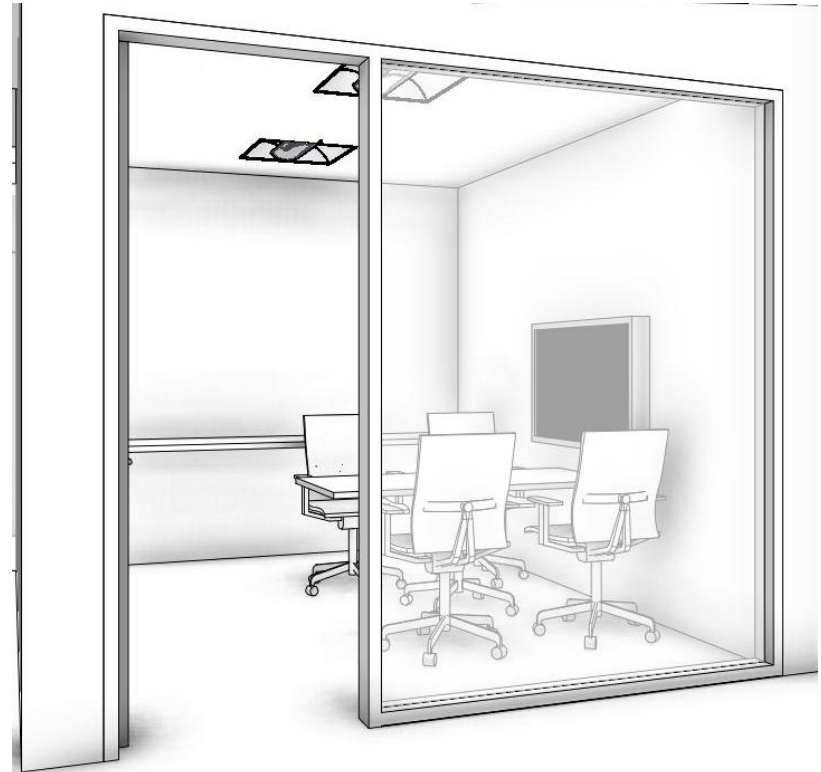
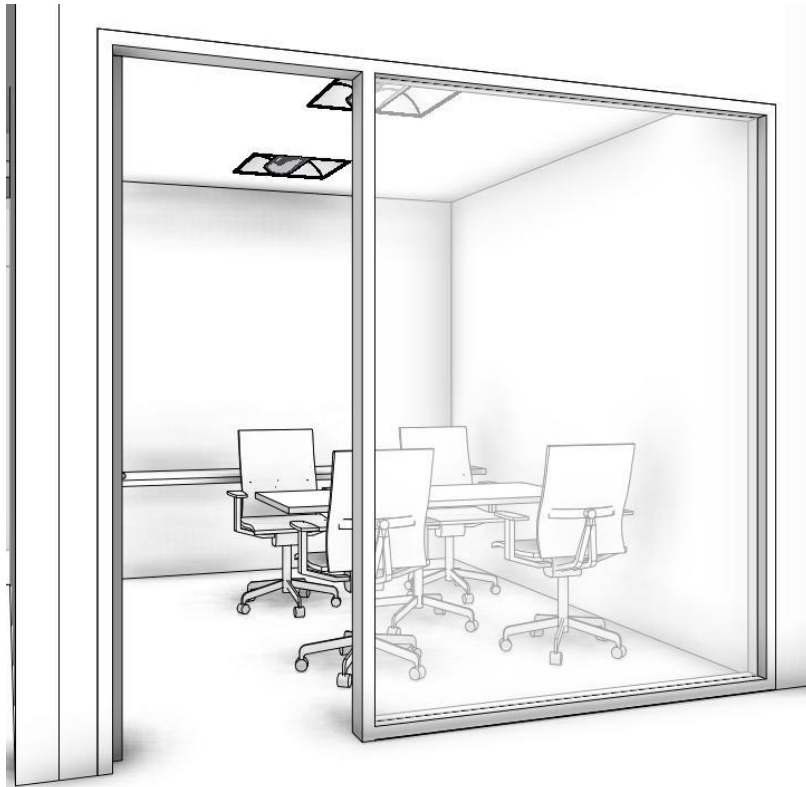
## Workspaces

1. Open look and feel with clear EY branding
2. Hard office metrics – 86-110SF per person as maximum density
3. Unassigned desks and offices (no permanent desks) as the norm (limited exceptions based on business need)
4. Storage solutions and reduced dependence on paper
5. Range of formal and informal work settings to suit both individual and group work, including a range of collaborative spaces
6. Increased collaborative technology (e.g. Video conferencing, MondoPads, Smart Boards, M&C tools)
7. Technology to support in office mobility and transition between work settings (e.g. Wifi, digital signage, desk monitors)

## Working culture

8. Working culture underpinned by fundamental principles: Trust, collaboration, empowerment, reward and recognition (outcome based performance management)
9. Existing flexible working culture or flexible working behaviors established
10. Freedom to choose which worksetting to use when in the office, based on the work they are doing
11. Protocols exist to govern use of office space and support increased respect for each other's use of time and space
12. The office as “an” environment and not “the” environment in which employees are expected to work

# Conferencing Office/ Video Conference





# Straight and Wave Desking

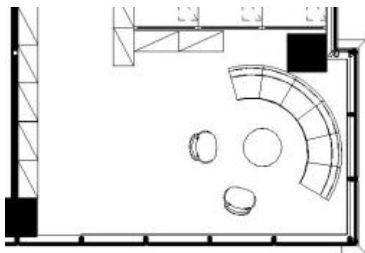


Straight Desking



Wave Desking

# Casual Seating – Curved Sofa



# Design Development



Internet Café Perspective

# In Summary

- ✂ To successfully transform to a new way of working, the Real Estate / Facilities team must be aligned with the Company's Vision & Strategy
- ✂ It's not about the physical workplace – it's a partnership with the People/HR, IT/Technology & Real Estate teams – Requires tons of change management - No Lone Rangers!
- ✂ Devote time upfront to understand your workforce and clearly define styles, therefore space becomes a tool, not an entitlement
  - Make it fact based – data driven – not subjective

# Thank You!

- ∞ Which locations did we conduct our pilots?
- ∞ What is the most important takeaway from our experiment?
- ∞ What percentage of our workforce is between 18-34 years old?