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Notes from the Field: Why is Adopting Mobility Taking So Long?

Larry Barkley

Our Compass article this month (“What are You Waiting For?”) is focused entirely on the economics of embracing flexible/mobile work as a way to reduce costs and improve operating efficiencies.

*We explored the business case for mobile work with the participants at our Realcomm Future of Work/Mobile Workforce Summit in Chicago in mid-June. But they really wanted to talk much more about the question we keep asking: given how economically compelling mobile work is, how come it **isn't** sweeping the economy—especially this year when improving business performance is at the top of every CEO's To-Do list?*

Well, that conversation inspired our friend and colleague Larry Barkley to write down and send us his own thoughts about that question, drawing on his many years of work as a real estate/facilities consultant and thought leader. Here's his take:

Much has been written in these pages over the past several years on mobility, Alternative Workplace Strategies and all the issues surrounding the implementation of new ways of working. That discussion has also extended into the public domain with articles and case studies being described recently in *The Wall Street Journal*, *Time Magazine*, *Business Week*, and *Fortune*, among others. The conversation has been further augmented by a remarkable body of work generated from the CoreNet Global Workplace Community over the past two years.

Yet, despite all of this impressive work and study, it appears that adoption by the end user business community has not risen to anywhere near the level of our theory and beliefs. So, we've had to ask: “Why is that?” The answer to that question continues to elude many of us who are invested in these ideas.

Faced with that perplexing question we decided to dig deeply into this apparent paradox. In doing so we chose to speak directly with the Corporate Real Estate (CRE) end-user community, intentionally avoiding discussions with other consultants and service providers. In doing so, we learned quite a lot. Our findings seem to group themselves into three broad categories, with three sub-categories within each area:

Financial

- *CAPEX/OPEX constraints:* Many, if not most, companies have recently placed extreme constraints upon both CAPEX and OPEX budgets. Management views focus on, and protection of, the Balance Sheet as paramount.
- *Payback period:* Despite powerful business case Models, discounted cash flow projections, and qualifying internal rates of return, the business case cannot be made in the current environment. Protection of the balance sheet now requires

payback in less than 12 months—and, like it or not, most mobile work programs don't produce returns that quickly.

- *No consulting budgets:* Discretionary spending for outside expertise is virtually non-existent. CRE staffs generally lack internal resources to plan and manage a mobility program, and they don't have the funds to hire external resources.

Culture/Organization

- *Perceived threats:* The presence of this factor has been widely reported in the published success stories. Whether real or not, various stakeholders, and perhaps various management layers as well, see mobility as putting their positions at serious risk. Opposition to mobility can be overt or covert, or both.
- *Multiple Business Units:* We often view organizations as a single monolithic culture, when in fact Divisions often vary widely in both culture and financial management. Therefore, mobility programs must be customized for each division, usually resulting in much slower adoption. You just can't do it once for an entire complex organization.
- *Corporate-Level Downsizing:* Many CRE organizations are feeling the brunt of the current cost reduction requirements. Corporate staff in general, and CRE in particular, are common targets for downsizing while leaving the operating business units intact. The resulting resource shortages produce a leadership gap.

Risk

- *Unfamiliar ground:* Mobility and Alternative Workplace Strategies represent unfamiliar ground for most CRE staff. Their inexperience with these approaches results in a lack of confidence in the ultimate success of such programs.
- *Uncertainty of outcomes:* Stepping into the uncertain nature of a mobility program seems to be a challenging step, particularly at this time our economic history. Uncertainty of individual survival in the organization has been raised to a daily discussion topic.
- *Heightened aversion to risk:* In times such as these, individuals tend to revert to what they know and focus almost exclusively on doing that better. Staying within their comfort zone and “weathering the storm” seems to be a wise course of action to people who feel deeply threatened by an uncertain future.

So What?

When we step back and review these findings, what should we take away?

Let me be quick to say that I am not making any judgments about whether or not this summary of the reasons for resistance to change is valid, or even whether these perspectives are real. I am simply giving the weather report. This is what people told us; it is real for them. And that's good enough for me.

There appears to be a disconnect between our customers' concerns and our stories and value propositions. Simple logic does not work here—there is both logic and emotion at play. Gaining a better understanding of end-user concerns should actually be our first responsibility. Bridging that disconnect seems to be the path to greater adoption and a future in which our end-user clients will enjoy the benefits that consultants and service providers have been touting for years.

What's your take? I would love to hear more from you.

Mr. Barkley is currently is the Managing Partner for The Barkley Advisory Group, LLC, a real estate consulting services company that provides technology and management advisory services to the real estate, workplace, and facility management professionals of Global 2000 companies, higher education, healthcare, and other large portfolio occupiers. He possesses over 25 years of experience in the real estate industry and currently serves as Senior Advisor to the 1400-member CoreNet Global Workplace Community. You can reach him at barkley@barkleygroup.com.

Please also send your comments directly to us. We look forward to learning from you, and we'll be happy to share your thoughts with Larry as well.

About the Work Design Collaborative and *Future of Work Agenda*

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