



FUTURE OF WORK AGENDA

A Free Monthly Newsletter
May, 2004

www.thefutureofwork.net/

THIS MONTH'S HEADLINES

Click on any Headline to go to the full story.

1. **[FROM JIM AND CHARLIE](#)**

This is our personal note welcoming you to the May 2004 issue of *Future of Work Agenda* and setting our theme for the month. Right now we're focused in on Workplace Strategy.

2. **[SPECIAL SURVEY](#)**

We are undertaking major revisions of the *Future of Work* programs, membership categories, and website capabilities. Please provide us with your comments and suggestions about this newsletter and our new weblog. We want you to help co-design our community's future. To take a five-minute online survey right now, [just click here](#).

3. **[ANNOUNCEMENTS](#)**

The *Future of Work* program is actively seeking new members, especially those of you in small businesses. We also report on several upcoming public presentations by Jim and/or Charlie.

4. **[FEATURE ARTICLE: WORKPLACE STRATEGY – HOW DO YOU DO IT?](#)**

Last month we talked about why your company needs a Workplace Strategy. This month we delve a little deeper into the "How do you do it?" part of the equation.

5. **[BOOK REVIEW: THE FUTURE OF WORK, BY TOM MALONE](#)**

Tom Malone is the Patrick J. McGovern Professor of Management at the Sloan School of Management at MIT. His new book, with a very familiar title, is a very important contribution to the discussions about how organizational structures and management practice are evolving away from Industrial-Age models towards something very different. This is another "must-read" book.

6. **[THE FUTURE OF WORK IS ALREADY HERE; IT JUST ISN'T EVENLY DISTRIBUTED](#)**

In one form or another, the future of work is already here. This regular section provides you with notes from all over the world – stories about what's happening somewhere today that provides clues to what will be happening everywhere tomorrow.

7. [IN OUR HUMBLE OPINION: WHY IS WORKPLACE STRATEGY SO IMPORTANT?](#)

We end each issue of *Future of Work Agenda* with a personal perspective – our chance to comment on issues and developments in the world of work that we find important and interesting. This is our “editorial” page, where we are pleased to offer our opinions and predictions about what’s happening (or should be happening) in the world of work.

THE FULL STORIES

1) FROM JIM AND CHARLIE

In the spirit of the season we’ve been planting seeds all over the place for the last several months and are looking forward to seeing lots of new things growing – among them our **Future of Work** community at large, our [website](#), our “**Third Places**” research and business ventures, and in particular our **Workplace Strategy** practice.

As you’ll see in the pieces that follow, we’ve been doing a lot of thinking about Workplace Strategy. Both last month’s feature article (“[Why You Need a Workplace Strategy](#)”) and this month’s “[In Our Humble Opinion: Why is Workplace Strategy So Important?](#)” focus on what a workplace strategy can do for you, while this month our feature article is a detailed look at how to develop a Workplace Strategy (“[Workplace Strategy: How You Do It](#)”).

We may sound like a broken record, but we continue to marvel at how few large organizations pay any attention to all to their “housing costs” even though corporate real estate is one of the most expensive, and most underutilized, assets that any company owns (or leases).

The problem – and opportunity – is further complicated by the obvious fact (at least to us) that the nature of work and the tools we use to get our work done have evolved dramatically in recent years, yet workplaces, office locations, office designs, and real estate portfolios have hardly changed at all.

Developing an updated Workplace Strategy can generate incredible financial benefits; we hope you’ll all find our recommendations useful and thought-provoking.

And by the way, it’s not just your workplaces that will be revolutionized over the next decade. Your basic organizational structures and management style are due for an overhaul as well. Read [our review](#) of MIT Professor Tom Malone’s new book (called, strangely enough, **The Future of Work**) and then run – don’t walk – to your nearest bookstore, buy it, and read the whole thing. We guarantee it will change the way you think about your own business, and the entire economy as well.

And now, on with the newsletter. Enjoy!

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2) SPECIAL SURVEY

Please help us enhance this newsletter and our website by responding to a very brief online survey. Your comments will provide us with meaningful feedback on what we are currently doing as well as what we have in mind for the future.

Please [take the survey right now](#). It will take less than 10 minutes and will help ensure that you will get the kind of information and access to our community that you are looking for. We'll publish the results next month.

To take the survey, just click on [this link](#). Thanks very much!

Jim and Charlie

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3) ANNOUNCEMENTS

***Future of Work* Program Actively Seeking Individual and Small Business Members**

In response to requests from many of you, the *Future of Work* program is now open to individuals and small businesses.

Future of Work now offers several levels of membership that depend on your status and needs: Individual and Small Business, Corporate, and Implementation Partners. We also offer special discounts to nonprofit, educational, and public sector organizations. These membership programs are described in more detail on the [Future of Work website](#), or please feel free to [contact us](#) directly for more information about fees and benefits.

Our newest Individual/Small Business members are:

Sipho Mzolo, First National Bank, Johannesburg, South Africa

Nancy Napier, Boise State University

Jean O'Dean, Global Telesis

Toni Kistner, *Network World Fusion*

Neal Zimmerman, Zimmerman Associates

Welcome one and all!

We encourage all our readers to consider joining the community. Please [visit our website](#) and apply for membership today.

Upcoming *Future of Work* Speaking Engagements

Charlie and Jim will be speaking at several major events in May.

On **May 6** Charlie and Jim will be the featured speakers at the annual meeting of the [Racine County Educational Development Corporation](#) in Racine, Wisconsin. This one we owe to **Rebecca Ryan** of [Next Generation Consulting](#), who has been an active contributor to Racine's economic development plans. And of course, thanks to our host for the event, **Gordon Kacala**.

On **May 17** Jim will be one of the panelists focused on "The Changing Nature of Work" at the 2004 [CoreNet Global Summit](#) at the Hyatt Regency in Chicago. The panel, led by **Eric Scaff** of **Johnson Controls**, will be reporting out the findings from the Nature of Work team's research as part of the **Corporate Real Estate 2010** study.

Staying Up to Date on the first *World Congress on the Future of Work*

We have just about completed cataloging and assimilating the major learnings from our recent *World Congress on the Future of Work*. Many of the basic findings are now posted on our "official weblog" that is publicly available to everyone who visits the *Future of Work* website (www.thefutureofwork.net).

We want the weblog to become a public forum where we can all exchange ideas and debate issues surrounding the continually changing nature of work. Come [visit the weblog](#) now, bookmark it (www.thefutureofwork.net/blog), and return often to stay current.

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4) WORKPLACE STRATEGY: HOW DO YOU DO IT?

By Charlie Grantham and Jim Ware

Last month we talked about why your company needs a Workplace Strategy. This month we delve a little deeper into the "How do you do it?" part of the equation.

Workplace Strategy is a statement of *how you will enable work* wherever and whenever it takes place. As we stress over and over, the workplace of the future will be highly agile, mobile, and distributed in time and space. Your workplace strategy involves identifying and coordinating the critical aspects of all the resources required to accomplish that goal.

How do you develop a comprehensive corporate strategy to deal with the rapidly changing work environment? We believe there are four basic sequential steps that must be undertaken to meet the needs of your organization and its workforce.

From a project management point of view, you need to:

1. *Perform an assessment of requirements, current capabilities, and audit processes;*
2. *Develop a set of specific tactical, operational recommendations;*

3. *Plan a staged implementation; and*
4. *Execute on the plan.*

The last three steps of this process clearly depend on the outcome of the assessment. Right now we can outline in some detail what should occur during the assessment phase, and to a lesser degree, specify some of the activities that must take place during the development of operational recommendations. And, of course, we recognize that this general plan also needs to be fine-tuned to individual organizations, given the business strategy of the organization, its culture, the specific business environment, the resources available, and a number of other local factors.

Phase One: Assessment

Five specific activities must take place at this stage. They are not necessarily sequential; a team could be deployed to conduct them in parallel, thus speeding up the overall process. However, we strongly recommend that you essentially complete the first step before commencing the remaining ones.

1. Business strategy alignment.

It is imperative that any Workplace Strategy be completely aligned with the organization's core business mission and plan. We need to know: (within a five year timeframe):

- What is the product development strategy – for both production and market channels?
- What are the workforce staffing plans?
- What is the financial management strategy?
- What are the goals of the branding program?
- How will the technology deployment plan will support all these?

The optimal method of conducting this review is a short series of "Executive Roundtables" where an external team brings information about "state of the practice" and internal resources present briefings centered on the key questions listed above.

2. Organizational Readiness Assessment

There are six key structural factors that must be the foundation of any workplace strategy design. These are operational factors that indicate a firm's relative readiness, and willingness, to implement a significant change in workplace strategy. The factors we have identified as critical are: Direction Setting; Planning; Customer Service; Information Technology; Human Resource Capability; and Facilities Planning (we have developed a structured assessment instrument, called the Organizational Assessment System, or OAS, that determines an organization's capabilities in these six areas).

This assessment is conducted through a series of brief Executive Interviews and document reviews. The results are fed into an analytical process that yields reliable, quantifiable data. These findings can then be compared to national norms to indicate which areas require attention (and possibly significant remedial effort) prior to implementation of a new Workplace Strategy.

3. *Workforce Requirements Assessment*

A key part to strategy development is finding out exactly how people currently work, the tools they use, and what kinds of infrastructure support they need. You also need to determine what kinds of infrastructure would be needed to support an optimized, ideal work environment (as seen by both management and the individual workers themselves).

We generally perform the workforce requirements assessment through a standardized, on-line survey research process. We retain a normative database and recommend a minimal sample size of 250 people, strategically selected in the context of the priorities identified in the business strategy alignment process.

4. *Real Estate Portfolio Optimization*

Real estate is perhaps the most underutilized strategic asset any company has today. Our research indicates that most current real estate portfolios are at best only operating a 50% efficiency ratio. Before you begin developing programs to shift the balance and utilization of real estate assets you need a complete inventory of all existing assets and how they are being utilized today.

You need data that identifies the amount of space, geographic dispersion, occupancy rates, and types of utilization, maturity, and quality of all your real estate assets. Again, this information is fed into standard analytical processes to indicate where cost savings could be realized even before any re-structuring, or re-balancing, of the portfolio occurs.

5. *Return on Investment Scenario Construction*

When these first four steps have been completed we can then conduct a Return on Investment opportunity analysis. We generate several alternative scenarios that combine a range of options, including flexible office arrangements, shared workspaces, distributing workers to different locations, and quantify the dollar costs and benefits associated with each scenario.

It is important to consider in these scenarios **all** the factors that will change, including human resource management (recruitment, training, travel, and turnover); information technology (mobile technologies, new network capabilities, web-based applications, equipping home and satellite offices, providing remote end user support); and real estate management (such as reductions in required space, outsourcing facilities management, redesigning interior workspaces, supporting a wider diversity of places and spaces).

We have developed a reliable ROI Calculator that allows us to construct alternate scenarios of workplace strategies and conduct sensitivity analysis on all the critical variables. The tool also allows us to calculate and compare the total bottom line impact of the various options under consideration.

One of the common shortcomings of most efforts to rethink workplace strategy is the failure to consider the complex interaction of all the different factors that change when a new strategy is implemented. We believe this kind of comprehensive analysis is absolutely essential so you can present senior management with accurate and reliable estimates of the financial consequences of your workplace strategy.

Phase Two: Operational Recommendations

The first steps in developing operational recommendations flow from the Return on Investment analysis described above. At this point we can identify one or two priority workplace strategy scenarios that specify which infrastructure functions will remain core to the business, which can be maintained in partnership with a few vendors, and which should be considered for business process outsourcing. We can also identify the likely impact of the new strategy on the company's real estate portfolio, IT architecture, and human resource management policies.

The second step in developing these recommendations is to develop a plan for integrated infrastructure governance and management. Closely coupled with this plan is the specification of an audit system to be deployed in conjunction with the changes in workplace strategy.

The other initial steps in this phase of workplace strategy development are the selection of business sub-units for prototype testing and the establishment of a concept Design Studio. The design studio, which should be built and managed within the company's facilities, serves as a "living laboratory" where new designs and work practices can be tried out in a real-world setting.

Planning and Implementation

While it is difficult to completely specify the exact actions that take place in the last phases of Workplace Strategy development and roll out, we do know there are a few core tasks that must be accomplished. Certainly program development and scheduling, resource planning, and selection of a program management team are critical. In addition, for changes that affect the basic way your workers operate and interact on a daily basis, a corporate communications plan and a linked training and development plan are absolutely essential.

Concluding Comment

Well, this is a start to a very complex – yet incredibly important – topic. If any of you want to explore these ideas in more detail, please [contact us](#) directly. We also welcome your comments and suggestions. And if you've been through a comprehensive workplace strategy and implementation, please tell us your story.

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5) BOOK REVIEW: *THE FUTURE OF WORK*

by Tom Malone (Harvard Business School Press, 2004)

Reviewed by Jim Ware

Before I describe this exciting new book, two qualifying comments are in order. First, we are well aware that this title sounds awfully familiar. It's an unfortunate coincidence; in fact, Tom has told us he was unaware of Charlie's 1999 book with the same title when his publisher proposed "The Future of Work" to him. Tom actually called Charlie and apologized shortly after this book was published in March.

However, we actually view "imitation" as a very sincere form of flattery (that said, Tom's book actually has a somewhat different focus from Charlie's, but it's highly complementary, as you will see in a moment). The future of work is a mighty big place, and there's plenty of room for all us.

My second qualifying comment is that you should be forewarned (if you haven't already figured it out) that we hardly ever review a book we don't like – we think of these reviews more as recommendations about what you need to read to stay well-informed.

And we do like this book; in fact, we believe it is an absolute must-read – and it has already had a powerful influence on our own thinking about our *Future of Work* community and how we can create compelling value for our members. More on that in a moment.

The subtitle for ***The Future of Work*** is “How the New Order of Business Will Shape Your Organization, Your Management Style, and Your Life.” Like us, Tom thinks big.

And he has a Big Idea – that the continuing decline in communication costs (largely through innovations in information technology) is driving us towards very different organization structures.

Malone, a full professor at MIT's **Sloan School of Management**, has pursued this idea for many years. He founded the *Center for Coordination Science* at MIT some years ago, and co-directed the five-year MIT research project “Inventing Organizations of the 21st Century.”

His core belief is that as the cost of communication drops the advantages of formal, hierarchical organizational structures also decline, meaning that market-based transactions become increasingly attractive as an efficient means of getting things done.

To put that in English, Malone is suggesting that as it gets cheaper and cheaper and easier and easier to communicate with more and more people, marketplaces become more and more efficient while formal, hierarchical structures become less and less necessary (and actually counterproductive – bureaucracies are not noted for either efficiency or agility, two qualities are essential for survival today).

As Malone tells the story, in the public sector the long-term declining costs of communication have been a significant factor in the evolution from kingdoms to hierarchical bureaucracies to democracies. Just consider the way the Roman Empire developed roads, mail deliveries, and “operating manuals” to control outposts or “subsidiaries” all over Europe.

With improved communication technologies like the telegraph, the telephone, and finally the Internet, both governments and private sector corporations have become more and more widely distributed, and – more importantly – more democratic. Complex organizations in a dynamic world simply cannot be effectively controlled from the top; there are too many local decisions that have to be made quickly.

The good news is the growing evidence that today's better-educated and highly interconnected “local” workers can actually make and execute decisions much more effectively and – perhaps most importantly – much faster than bureaucratic hierarchies.

Malone postulates a revolution in the business world that is just as dramatic as, and likely even more significant than, the rise of democratic forms of government around the world. He draws on a number of case studies, both historic and contemporary, to demonstrate his thesis that technology moves organization structures through four distinct stages:

1. Hierarchies
2. Loose hierarchies
3. Democracies

4. Markets (both internal and external)

The implications for managers and management practice are profound. Malone believes that management style must evolve from “command and control” to “coordinate and cultivate.” In the latter mode the senior executive role is not to tell or to direct others, but to ensure that others are informed and in touch with each other so they can make intelligent decisions that benefit the entire organization.

Needless to say, this is a radical view that requires a major shift in the thinking of most business executives. Yet the case studies in this book make it eminently clear that democratically run businesses can be far more nimble – and much more profitable – than bureaucracies, and that market-based management systems (and networks of semi-independent firms) are even better.

This vision also requires new skills and mindsets for all workers, not just managers. Malone identifies a fascinating portfolio of skills that will be needed in these new organizations – and that must be cultivated by the new managers. Among the skills Malone believes are important are “squishy” things like visioning, sense-making, inventing, and relating, as well as the ability to manage one’s own time and priorities.

Market-based enterprises are essentially collections of entrepreneurs, each of whom is seeking to maximize his or her own success while contributing to the well-being entire organization.

In fact, Malone predicts (as we have elsewhere) the re-emergence of professional guilds – organizations whose sole purpose is to foster the well-being and success of their members. Guilds, in Malone’s view, could become the one source of permanence in our lives, providing us with professional development, marketing and financial support, health insurance and retirement benefits, and a genuine sense of community.

Part of what makes this book really special is the way Malone ends it with a discussion of values. In a world of market-based organizations where “employment” is temporary and project-based, each individual has a marvelous opportunity – indeed, almost a mandate – to take charge of his or her own life and career. That’s heady stuff, but it’s also a bit overwhelming, and that’s where becoming incredibly clear about your personal goals and values is absolutely essential. It’s one thing to be able to control your own life, but it’s another thing altogether to do it well.

On a more personal note, this book has broadened our own horizons tremendously. Charlie and I are working hard to develop our *Future of Work* programs and the community itself consistently with the ideas and principles that Malone articulates so well. In fact, we’re focusing our energy on creating exactly the kind of community-based “guild” that Tom believes *is* the future of work.

The Future of Work is available online from Amazon.com at [this link](#).

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6) THE FUTURE OF WORK IS ALREADY HERE

In one form or another, the future of work is being written about, discussed and debated, and experienced all over the world. Below are just a few references to recent reports and commentary

we've come across (each of these reports **has already been posted** on our [Future of Work weblog](#); the best way to stay really current is to [check the blog](#) regularly).

Does Costco Have a Better Way?

There is a fascinating article in the April 12 issue of [Business Week](#) that describes how [Costco](#) pays its employees at higher rates than **Wal-Mart**, offers more health insurance and retirement benefits - and is **more profitable**.

It's a story that ought to be getting headlines everywhere, and that every company can learn from.

Unfortunately the [online version](#) is available only to *Business Week* subscribers, but here is the most important paragraph from the article:

"*BusinessWeek* ran through the numbers from each company to compare Costco and Sam's Club, the Wal-Mart warehouse unit that competes directly with Costco. We found that by compensating employees generously to motivate and retain good workers, one-fifth of whom are unionized, Costco gets lower turnover and higher productivity. Combined with a smart business strategy that sells a mix of higher-margin products to more affluent customers, Costco actually keeps its labor costs lower than Wal-Mart's as a percentage of sales, and its 68,000 hourly workers in the U.S. sell more per square foot."

It may be simplistic to suggest that happy employees make for satisfied customers who keep coming back, but that certainly seems to be case here. Costco's average hourly wage of \$15.97 is 38% higher than Wal-Mart's Sam's Club pays its workers. Costco's annual health cost per worker is almost 65% higher than Wal-Mart's (and Costco covers 82% of its workers, versus only 47% of Wal-Mart workers who are covered). And Costco's retirement costs per worker are almost double Wal-Mart's.

"Smart Sites" Build Jobs and Economic Value

Toni Kistner has a terrific story about rural economic development strategies in her [Telework Beat column](#) in the April 19 issue in *Networld World Fusion*.

The featured organization is the state of Utah's [Smart Site](#) program, which promotes home-based workers as a key source of high-quality, relatively low-cost talent.

Kistner reports that over 40 rural high-tech businesses in Utah have signed up to draw on home-based workers all over the state, generating about 750 new IT-related jobs over the past three years.

The Smart Site program has been cited by the **U.S. Department of Commerce** as "the most innovative economic development initiative in America."

This is a wonderful example of how a "bottoms up" strategy of taking work to the worker creates new economic value for everyone. Hats off to the State of Utah for figuring out - and applying - the new economic rules for success.

Job Growth is Happening – But Mostly in Smaller Companies

Dave Murphy of the [San Francisco Chronicle](#) reports in his April 24 [On the Fringe](#) column that a recent survey of 3000 job-seeking managers and professionals by **Challenger, Gray & Christmas** found that 63.5% of those who found jobs got them at businesses with fewer than 500 employees.

That's just one more example of the fact that startups and small businesses really do drive economic growth and job creation.

Not All Jobs are Right for Offshoring

The April 28 [New York Times](#) reported on a new development in the outsourcing/offshoring debate: some companies are beginning to bring work back to the United States, or at least are reconsidering whether to send it offshore in the first place.

The story quotes several Indian entrepreneurs who now believe that some high-tech work - especially that involving significant creativity and innovation - can be done much more effectively here in the United States. They are concluding that the apparent short-term cost advantage of transferring work overseas doesn't always justify the effort.

To quote directly from the article:

"Only certain kinds of tasks can be outsourced — what can be set down as a set of rules," said **Nariman Behravesh**, chief economist of **Global Insight**, a forecasting and consulting firm based in Waltham, Mass. "That which requires more creativity is more difficult to manage at a distance."

For the whole article, [click here](#).

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7) IN OUR HUMBLE OPINION: WHY IS WORKPLACE STRATEGY SO IMPORTANT?

Commentary by Charlie Grantham and Jim Ware

Mayday! Mayday! Every senior executive ought to be screaming for help right now. You're in serious trouble, even if you don't know it.

Yes, the economy is starting to crawl back out of its three-year black hole, even if employment isn't picking up very quickly. And, yes, corporate profits look better than they did last year (but what kind of standard is that?).

However, from where we sit, *hardly anyone* has begun to tackle the biggest opportunity for cost-saving and productivity gains they have – the corporate real estate portfolio. Our friend **Bill Agnello** puts it so eloquently: if a manufacturing VP came to the Board of Directors asking the company to invest in new plant capacity double what would ever be used, they would start laughing – and then fire the idiot for wasting their time.

But average **office** utilization in large organizations today is hardly ever as high as 50%. Even if you have the "right" number of square feet for your current staffing levels, most people don't simply come into their assigned space in the morning and sit in that one place all day.

According to Bill and his former colleagues at **Sun Microsystems** over 30% of Sun employees don't badge into their assigned building on any given day. Sure, they're working, but they're somewhere else – in their home office, in another Sun building, or at a client or supplier site.

And it gets much worse if you think about how the workers who do show up actually use "their" space. We'll wager you a great big chocolate sundae (who needs a low-carb diet all the time?) that if you could take simultaneous snapshots of every office and cubicle in a building, at least 75% of those "assigned" spaces would be empty at any moment in time.

So, where is everybody? In a typical building, they're in someone else's office, in a conference room, in the cafeteria, at the coffee machine, or standing in the hall talking to someone. It's not that they aren't working, it's just that work for many of us today doesn't involve all that much time at our "personal" base location.

Work today, as we have said time and time again, is highly collaborative, highly varied, and – for many (not all, but certainly many) of us – involves quite a bit of movement from one place to another. It seems like we're always going down the hall, walking from one conference room or office to another, moving to another building next door or across town, or going to another city to meet with colleagues, clients, suppliers, lawyers, accountants, contractors, whatever – you name it.

So its no wonder that the typical office building is so empty so much of the time. Now, we're not suggesting that you should just tear down those buildings and put up recreational areas and green spaces. Everybody's still got to be someplace, and most of us prefer to have a roof over our heads and a pleasant, well-designed space to work in.

But we **are** saying that its time to re-examine the way we use workplaces (and what kinds of spaces we really need) at a much more fundamental level. How many companies can afford to offer their employees and contractors several hundred square feet of personal office or cubicle space to use essentially as a coat closet and a file cabinet?

What if we ask the most basic question of all: What is an office for?

Why do you "go to the office" in the first place? When we ask that of ourselves, and of our clients, we usually get an answer something like "to meet with other people."

Well, if that's what "the office" is for, how about *designing* it as a meeting place, or a collection of meeting places – of all sizes and styles, to accommodate a much wider variety of types of meetings? What if we treated corporate office facilities more like town halls or conference centers?

For that matter, why do so many companies spend so much money holding "offsites" at hotels and conference centers while simultaneously paying rent for private offices that are sitting around empty most of the time? What if they started with the assumption that "the office" is in fact a meeting place? Our guess is that they would design those spaces they are paying for so dearly quite differently.

And maybe it's even time to start holding "onsites" once in a while, when you require all of your staff to come to the office on a given day for community-building events and experiences.

We're convinced that corporate real estate is the most underutilized asset on just about every company's balance sheet. In our experience, an honest assessment of how (and

how much) you use your current facilities will invariably lead you to a fundamental rethinking of how much space you need, how the space you do need is configured, and what kinds of flexible office programs and IT investments you need to cut that real estate portfolio in half.

We know of some organizations that have quite literally taken 30% or more of the cost of workforce support right out of their budgets by implementing flexible office arrangements and supporting home-based work.

Think about that a moment: a **30%** drop in operating cost that flows right to the bottom line. That can mean an increase in profitability of anywhere from 5% to 20%. And what is a 10% increase in profits worth to your stock price? To your market cap?

Oh, and one other thing: once your shareholders understand that little equation and what's possible, they have every right to demand that you achieve those kinds of results – and to remove you if you don't.

Your standard of performance shouldn't be what you did last year, or even what your competitors are doing now. For your own survival, ask what kind of results the best in the world are getting, and then do whatever it takes to perform at that level. If you don't, your shareholders ought to find someone else who can – and we're willing to bet they will.

Just think about it – without any growth at all in revenues, you can drive major increases in your company's market capitalization. What in the world are you waiting for?

All comments should be directed to comments@thefutureofwork.net. We'd love to publish your reactions to these thoughts.

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This issue of *Future of Work Agenda* was produced by Jim Ware and Charlie Grantham of the Work Design Collaborative, LLC.

We encourage your comments, suggestions, and submission of materials for possible future publication. Please contact us at:

Charlie Grantham, charlie@thefutureofwork.net, +1 928 771 9138
Jim Ware, jim@thefutureofwork.net, +1 510 558 1434

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