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## Work in a networked world – the emerging CRE challenge

What will CRE professionals be doing, and be responsible for, next decade? Rodney Timm seeks answers.

In the last decade the corporate real estate executive's challenges have become ever more daunting. Not only have constant change and significant discontinuities demanded totally new strategies to deal with the lumpiness and long term nature of the real estate supply side, now the workplace is being redefined. Work anywhere, any place, any time is the new demand coming from global organisations. The working world is now populated by an ever-increasing number of generation X and Y executives - mobilised and enabled by complex new technologies, demanding a different concept of the workplace.

The new workplace is no longer restricted to leased and owned premises, but now spans virtually any place on the planet provided the technology is there to ensure connectivity. This includes not only the mothership or corporate campus and its satellites, but also spans airports and trains; homes and hotels; wireless hotspots and cafes; partner, customer and supplier locations; and Club Med!

Suddenly, determining corporate real estate or workplace strategies takes on a whole new meaning. And the definition and scope of real estate responsibilities are rewritten, challenging professionals having mostly been trained with a strong supply-side real estate focus.

Over the last few decades a number of watershed research programs have been undertaken by various organisations such as Arthur Andersen's Managing the Future: Real Estate in the 1990's and IDRC's Corporate Real Estate 2000: Strategic Management of the Fifth Resource (CoRE 2010). Now CoreNet Global has embarked on its Corporate Real Estate 2010: Enabling Work in the Networked World research program. This research and leadership program is addressing exactly those kinds of emerging issues facing corporate real estate executives.

The changing nature of work and the workplace is the key focus of this research. By 2010 the connected network will be the organisation, the enterprise and the business. This enterprise will need to be agile to survive and the supporting infrastructure will need to support continuous adjustment. But the organisation needs other dimensions to be sustainable, particularly as the work will be done by a mixture of free-agents, full-time and part-time employees working independently and in ever-changing teams. The workplace wherever it may, however it may be constituted, will need to be the glue to help keep the organisation together.

The strategic role of place is likely to change significantly with the number of choices infinitely expanded through connectivity. But the legacy attributes of a good location may be severely tested. The new role of place may fundamentally alter the structure of the enterprise, the nature of the asset and the configuration of the portfolio. Asset management and portfolio optimisation may change focus to a more holistic overview of the organisation's overall resource base, including technology and people.

New service delivery models and the transformation of the service provider industry are already apparent in some parts of the world. And these influences are being exported globally. A key focus will be shifting fixed costs to become variable costs within the enterprise. Outsourcing at all levels may provide some of the answers – even linked to the ownership and capital risk of assets. Speed and quality of service; economies of scale and leverage; and total flexibility requirements will test the abilities of the service provider industry.

Integrated corporate infrastructure management is likely to become a reality with the barriers between human resources, technology, real estate and finance disappearing totally. Silo mentality within an organisation does not permit agility. These organisational support groups are likely to have a deep understanding of the 'business of the business'. They will not survive on their core competencies alone. The role of the senior real estate and infrastructure leaders is likely to be focused specifically on anticipating and proactively

implementing strategies to create most value for the enterprise. Just doing transactions and cutting costs will no longer be enough.

Commerce and the corporate support service industries across all sectors of commerce and government are participating in CoRE 2010. The findings will be a useful checklist for corporate real estate executives. They will be able to test their own prognosis of the challenges they face in creating cost-effective, productive and flexible portfolio solutions to enable work in the networked world. Any place, any time, anywhere.

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