JLL/Technologies

The 2022 Corporate Real Estate Guide

BETTER HYBRID WORKPLACE

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Chapter 1

The workplace has changed.

What's next?

Our relationship with the term "hybrid workplace" has changed since the early days of the pandemic. For a multitude of companies and their corporate real estate (CRE) teams, the phrase has evolved from a buzz phrase to a description of their daily experiences.

Across industries and geographies, organizations are implementing customized hybrid workplaces that fall on a continuum. Some companies skew toward mostly remote work, some lean toward mostly in-office work, while others have found the sweet spot of blended remote, in-office, and hub options.

With this technology-assisted mix of work environments becoming the norm, it won't be long before "hybrid workplace" simply becomes "the workplace."

Continuum of the hybrid workplace

The spectrum of workplace models encompasses different levels of footprint optimization.

PORTFOLIO FOOTPRINT OPTIMIZATION

Minimal / Moderate / Maximum

OFFICE-CENTRIC
Employees to work primarily from the office

OFFICE/HYBRID
Global/regional experimentation

HYBRID
Global/regional policy implementation in progress

HYBRID/REMOTE
Employees to work primarily from home

REMOTE/VIRTUAL
Extensive virtual work adoption globally
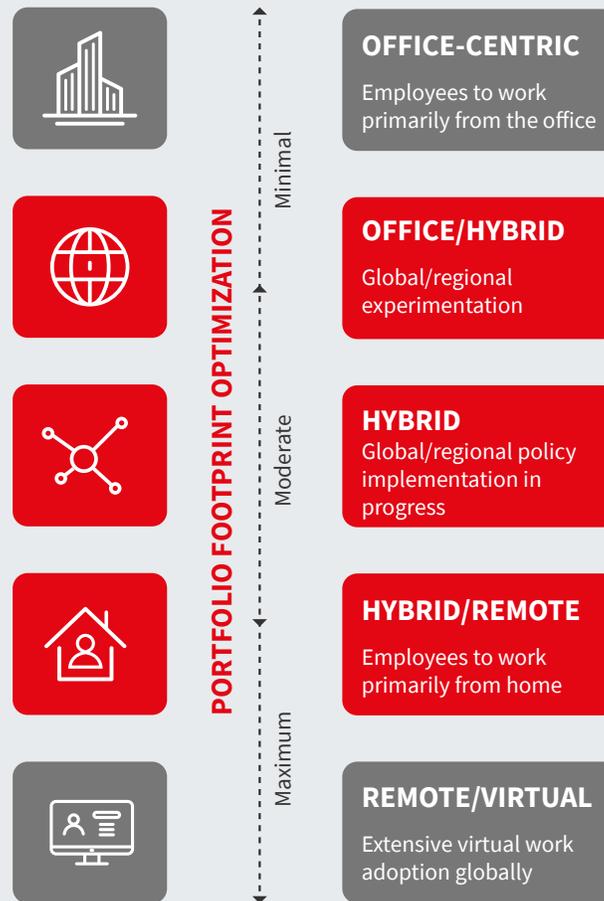
Source: JLL, January 2021

In the meantime, however, there are still companies figuring out where they land on that spectrum or taking the lessons learned from the early days of the pandemic to optimize their workplace further.

One of those lessons is the understanding that strategies and technologies used to build the hybrid workplace can no longer be evaluated by how they impact the performance of real estate alone. They must also be measured by how those technologies align with the people-centric goals of CRE organizations:

- Maintaining health and safety

- Increasing productivity

- Improving collaboration

- Attracting and retaining top talent

According to the 2021 JLL Worker Preferences Barometer, 67% of office workers surveyed want to work at home at least once a week. The same survey reported that 79% of office workers desire to work in the office at least once a week, emphasizing the need for a flexible technology strategy that is optimized to accommodate employees planning their own schedules.

Employee workplace preferences

Employees prefer flexibility over ultimatums.

67%

of employees want to come into the office (one or more days a week)

79%

of employees want to work from home (one or more days a week)
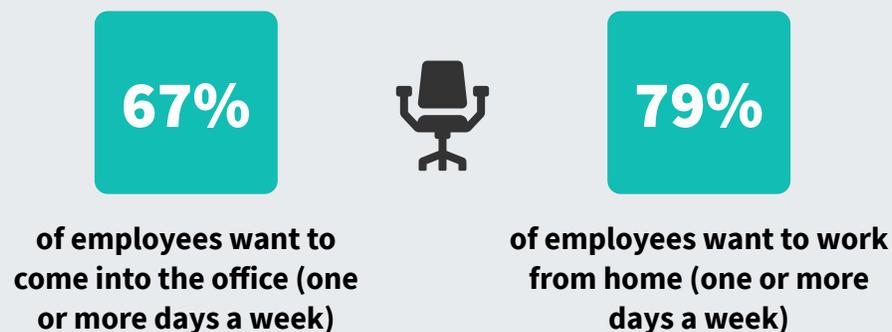
Source: JLL "Worker Preferences Barometer" June 2021

JLL operates more than 300 corporate offices worldwide, so we're familiar with the challenges of building and optimizing a hybrid workplace. Regardless of where your organization finds itself in the process of going hybrid, this guide provides insights into the technology solutions necessary to realize your CRE goals in 2022.

Chapter 2

What is a hybrid workplace?

The hybrid workplace is a mix of office and remote work orchestrated by technological solutions and the services necessary to support working from anywhere. At its core, a hybrid workplace allows employees to regularly work both off-site and on-site, sometimes with the option of flexible hours.

There's no one-size-fits-all version of hybrid: It looks different to different stakeholders and will vary from company to company.

To employees, a hybrid workplace means they can choose where and sometimes when they want to work.

To executives and HR, a hybrid workplace means they're fostering collaboration and productivity in a way that attracts and helps retain top talent.

To CRE teams, a hybrid workplace is one where the facilities management, portfolio planning, space design, and occupancy planning can adapt as needed.

How companies are thinking about hybrid

Executives from well-known businesses share their rationales for being office-centric, fully virtual, or in between.

Office-Centric

Rob Goldstein
BlackRock COO

The office will remain our primary work location longer-term. Employees will have increased flexibility to work remotely part-time, but full-time remote work will be done very selectively and with approval.

The Hybrid Workplace Continuum

Kathleen Hogan
Microsoft CPO

Moving forward, it is our goal to offer as much flexibility as possible to support individual work styles, while balancing the business needs and ensuring we live our culture. We recognize there is no one-size-fits-all solution, given the variety of roles, work requirements and business needs we have at Microsoft.

Remote/Virtual

Kathleen Donigan
Rite-Aid CEO

We have adapted to work-from-home unbelievably well. We've learned that we can work remotely, and we can now hire and manage a company remotely.

Workplace models across various industries and company sizes

PORTFOLIO FOOTPRINT OPTIMIZATION

Minimal ← ---- → Moderate ← ---- → Maximum

OFFICE-CENTRIC	OFFICE/HYBRID	HYBRID	HYBRID/REMOTE	REMOTE/VIRTUAL
Employees to work primarily from the office	Global/regional experimentation	Global/regional policy implementation in progress	Employees to work primarily from home	Extensive virtual work adoption globally

Software & services company
200,000 people
WFH 2 days/week

Investment management company
16,000 people

Financial services company
primarily office-based

Banking financial services company
64,000 people

Software company
3,000 people
100% WFH option

Internet company
5,000 people
100% virtual

Hardware & software company
plans to offer as much flexibility as possible

Advertising company
45,000 people
50% WFH

Financial services company
office-centric with hybrid potential

Banking financial services company
hybrid model with a hub-and-spoke portfolio

Automotive company
30,000 people

IT services company
80,000 people
50% WFH

Pharmaceutical company
125,000 people
option for 100% WFH

Internet company
2,000 people
100% virtual

Hardware & software company
165,000 people
50% hybrid

Hardware & software company
testing a hybrid campus with 15,000 people

Insurance company
32,000 people
option for 100% WFH

Internet media company
400 people
100% WFH option

Financial services company
office-centric, physical headquarters, hybrid potential

Mass media company
8,000 people

Financial services company
46,000 people
80% hybrid

Oil & gas company
70,000 people
50% WFH

Software company
employees choose home, office, or flex

Software company
15,000 people
50% WFH

E-commerce company
5,000 people
100% virtual

Technology company
140,000 people
WFH 2–3 days/week

Chapter 3

Building hybrid: What does going hybrid look like?

Different types of companies around the world have moved to hybrid workplaces. Some were early adopters, others are making the transition just now.

Ultimately, the shape of your organization's workplace depends on several factors:

- Company culture

- The technology, connectivity, and equipment people need to work

- Individual worker preferences

- Job duties

Employee concerns about the hybrid workplace

According to a recent McKinsey article, employees are wary of vaguely defined plans for the workplace as the pandemic subsides. Organizations can confront these concerns directly by considering them when developing their hybrid workplace strategy:

- Employee burnout due to digital fatigue

- Anxiety related to health and safety

- Consistent communications for remote and hybrid employees

- Equal opportunities for remote and hybrid employees

Those who are quickly adapting to the needs and expectations of workers today have competitive advantages over businesses and industries that are slower to accept this new model.

"

Most organizations have not clearly communicated a vision for postpandemic work.

McKinsey,
"What employees are saying about the future of remote work"

New expectations are transforming the purpose of the office

As the hybrid workplace becomes the norm, your role will move away from traditional CRE duties, as will the metrics you monitor and use. Distributed workforces and ebbs and flows in occupancy—hallmarks of the hybrid workplace—will require digitization and automation tools that support them. Remote work will intensify the need for human connection, and you'll be part of creating engaging spaces and improving the employee experience when workers are in the office.

Learn, socialize, innovate

Brand experience

The new workplace purpose

Culture & pride in belonging

Health & well-being

Employee engagement experience

In a recent JLL survey, employees around the world revealed they now prioritize "soft benefits" like work-life balance, feeling engaged and connected to others, and having a sense of purpose in their jobs.

Reconfiguring office space

As the hybrid workplace takes root, the purpose of the office will evolve. Workers won't be in the office every workday; thus, the need for the office to boost productivity, stimulate innovation, and facilitate collaboration intensifies. People will expect the office experience to center around health and well-being, especially in light of the pandemic, which resulted in standards and protocols that may be permanent.

Working from home lacks essential elements of working in the office—elements we all took for granted before the pandemic, even in the least sophisticated of offices. Things like shared desks and densely populated individual workspaces are untenable now. The inherent benefits of in-office work, integral to the employee experience, will need to be amplified to make up for less time spent each week in the office, as well as the new purpose it serves.

Cleaning and safety procedures

Since the coronavirus outbreak, expectations for sanitation and cleanliness couldn't be higher. Before, if someone got sick at the office, cleaning was pretty straightforward. Now, if someone is ill, you'll need to roll out a multi-phase response that includes sanitization and notifications.

A hybrid model can further complicate your cleaning efforts. With most office work being conducted in collaboration, socialization, and amenity spaces at irregular intervals, the need for additional cleaning and the importance of communicating which spaces have been cleaned have accelerated.

The outbreak has also been a catalyst for touchless technologies in the workplace, which require upgrades to facilities, including access points, doors, elevators, cafés, and bathrooms.

Managing budgets

Many CREs were tasked with driving efficiency before (and especially during) the pandemic and will likely be expected to continue, even while transitioning to a hybrid workplace. Hybrid will cost more money, there's no way around it. But you can find ways to cut costs simultaneously, like saving money on maintenance and vendors with a smart computerized maintenance management system (CMMS)—or on supplies through a marketplace.

> *Every organization is changing the nature of their workplace. Our customers operate in an increasingly complex business environment, and they face the immediate need to transform their operations to support the hybrid workplace.*
>
> **Reeves Davis,**
> **Executive Director,**
> **Client Solutions,**
> **JLL Technologies**

Refresh your five-year plan

Our clients continue to be tasked with optimizing costs and attracting and retaining employees but with new challenges mixed in, including more complex technology decisions. Whatever you thought the next five years would bring, now isn't the time to return to that plan. It's important to reframe it within the context of a hybrid workplace.

Phases of going hybrid and technology

Here's one approach to defining a clear vision of where you're at (and where you'd like to go next) in terms of building hybrid workplace. We've defined three phases you can expect to work through over multiple years.

The return phase enabling workers to return to the office safely and to connect with ease once they arrive.

The return phase

Technology needs:

- Agile desk and room classification
- Reservation management
- Health screening and contact tracing
- Integrated cleaning and air quality control
- Automated safety product replenishment

The redesign phase encompasses new space strategies to improve efficiency and spark collaboration.

The redesign phase

Technology needs:

- Sensor-based utilization
- Predictive space management
- Dynamic space planning and design
- Proactive & preventative maintenance
- Scheduling, comms, and service request automation

The reimagine phase emphasizes iterative changes based on feedback to improve resiliency and sustainability.

The reimagine phase

Technology needs:

- Insight-driven portfolio rebalancing
- Adaptive spaces
- Holistic energy optimization
- Human experience apps
- Health and wellness surveys

Multi-team collaboration

The hybrid workplace is at the intersection of space, data, and people. It's not just a CRE task; it requires collaboration with other teams. In a recent JLLT poll, a resounding 70% of respondents said HR must be on the hybrid transition team, followed closely by executives, real estate, and IT teams. Our recommendation is to include all eight of these teams in planning and execution.

Who should be on the hybrid workplace transition team?

Team	Percentage
People/HR	69.77%
Executive Leadership	67.91%
Real Estate	62.32%
IT	55.28%
Operations	43.89%
Finance	34.99%
Procurement	13.04%
We don't have a hybrid workplace team yet	12.01%
Sustainability	8.90%

Q: What groups are represented on your hybrid workplace team? (Multiple Choice) n=483
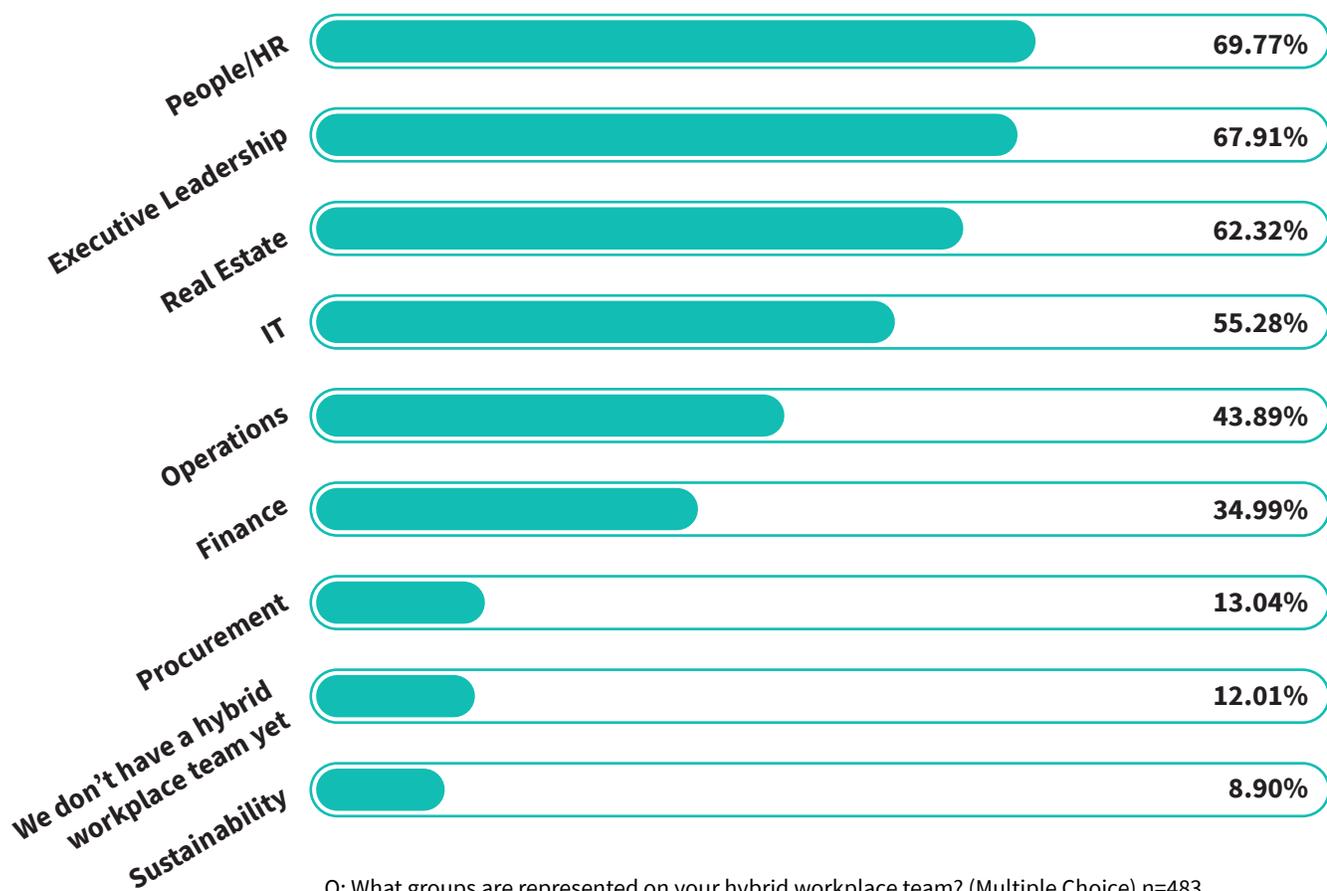
Source: JLL, "How to Prepare for the Hybrid Workplace," January 2021

Chapter 4

Optimizing hybrid: A new juggling act for CRE

How we work has indelibly changed, and along with it, the priorities and challenges of the workplace. The workplace won't just be business as usual with extra cleaning. Initiatives to align strategies across teams that were underway or on the roadmap before the pandemic will be accelerated.

Going hybrid adds even more complexity.

New technologies to support new ways of work, more spaces for collaboration and inspiration, and thoughtful alignment with HR, IT, Operations, and the C-suite are integral to your success in this new model of work. Many companies were already eliminating the silos between business, people, workplace, and CRE and working toward strategy alignment. A hybrid workplace underscores the urgency of these efforts and the need to make them even stronger.

Hybrid workplace implementation spans four main pillars of strategy

Business strategy

People strategy

Workplace strategy

CRE strategy
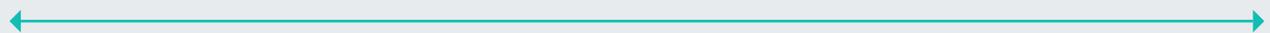
Acceleration of technology and digital transformation
Responsible prioritization of people, adaptability, resilency, and sustainability

Questions to ask as you reimagine the workplace:

- How can we support community, connectivity, and collaboration in-person and virtually?

- How do we respect and prioritize a holistic approach to health and well-being?

- How do we create meaningful, safe, and engaging experiences?

- How will our future real estate portfolio enable agility, flexibility, and resiliency?

- What technologies will we use to accomplish our goals?

Key considerations for a successful transition to hybrid

1. Organizations require a **high level of elasticity** in their strategy for adapting to continual shifts in demand.

2. Companies must **operationalize this elasticity** to create a hybrid model that maximizes flexibility and manages intense, frequent changes.

3. Businesses should **balance risks and opportunities** throughout the journey ahead.

Differences in office space configuration in traditional versus hybrid models

Traditional office space allocation

Individual spaces	Collaboration spaces
	Amenities
	Social/learning spaces

60–70%
Individual & support spaces

30–40%
Collaboration & social spaces

Hybrid office space allocation

Individual spaces	Collaboration spaces
	Amenities
	Social/learning spaces

30–50%
Individual & support spaces

50–70%
Collaboration & social spaces
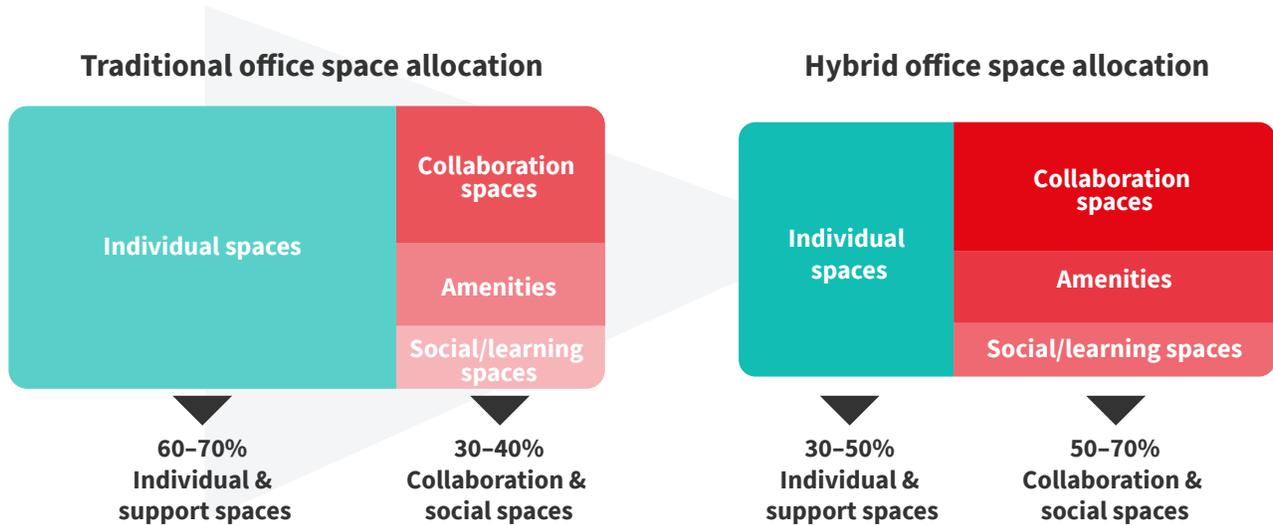
Evolving hybrid workplace challenges and objectives

Workplace challenges

- Business disruption
- Change acceleration
- Cognitive fatigue
- Employee fear
- Establishing trust
- Human health/safety
- Increased complexity
- Risk management
- Talent anywhere
- Uncertainty

Office · **Anywhere** · **Home**

Hybrid workplace

Workplace objectives

- ✔ Corporate culture
- ✔ Elasticity & agility
- ✔ Employee choice
- ✔ Enhanced financial performance
- ✔ Flexibility/liquidity
- ✔ Enhanced financial performance
- ✔ Health & well-being
- ✔ Resiliency
- ✔ Sustainability

Our global workforce survey indicates that many people will do their individual work remotely *and* come into the office—not because they have to but to collaborate, brainstorm, to be inspired. They'll meet in small groups instead of sitting alone at desks. They'll avail themselves of all the office perks, and you will quickly realize the need to create more spaces for group collaboration and socializing and reduce the number of individual workstations.

What employees prefer to do at the office

How often employees work from home affects how they view the purpose of the office.
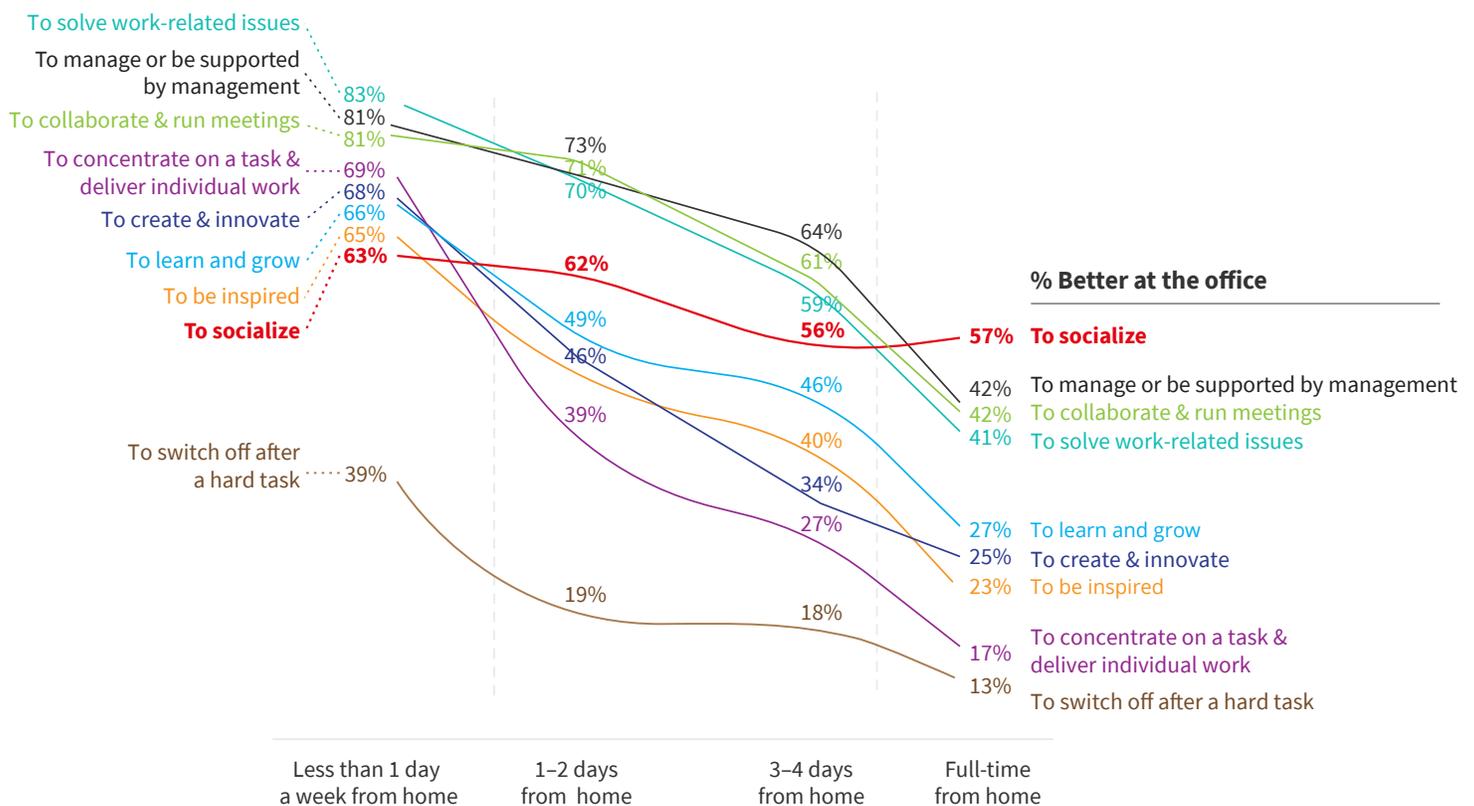
Q: After your recent home-working experience, where would you prefer to do the following tasks in the future: at home, in the office, or in a third-party place? Sample: All respondents n=2,033

As you begin to optimize spaces and amenities in such a way that employees will want to come in and perform better for the company, you will have to accommodate the inevitable and sometimes dramatic fluctuations in office occupancy. One day, perhaps 35% of the staff is in-office; the next, it's at 90% capacity because of an all-hands meeting or major project launch. Or maybe there's a big storm system, and everyone who's able to will work remotely that day. A successful hybrid workplace will be elastic, able to ebb and flow with demand without missing a beat.

More insights from JLL's global workforce survey

Work patterns

74% are attracted by a **four-day work week**

71% expect more **flexible schedules**

WFH support

75% expect their companies to support **working from home**

Hybrid options

50% of people want to work **both** in the office and remotely

33% expect **less density** in the office including at workstations and in share spaces

Social hubs

49% of employees want **socialization spaces** that enhance their in-office experiences

Fluid footprint

66% of employees want the option to work from **different locations**

Chapter 5

Measuring hybrid: Gauge the success of your hybrid workplace

Out with the old, in with the new

Traditional performance drivers no longer make sense—with or without a hybrid workplace. It's time to move away from simple cost reduction, space utilization, and capital minimization metrics. JLL asked 561 CRE leaders about their visions for the future of work. Overwhelmingly, they prioritized newer metrics over traditional ones.

"

We must begin to redefine the metrics that matter most, to find those that are core to corporate goals and that will drive new value-creation initiatives.

Dr. Marie Puybaraud,
Global head of research, JLL

INNOVATION

- Utilization of innovation spaces

- ROI of CRE innovation

- Proportion of portfolio dedicated to innovation spaces

TECHNOLOGY

- Digital intensity of CRE activities

- Digital share of CRE budget

- Proportion of tasks automated

HUMAN EXPERIENCE

- Satisfaction of employees who engage with CRE teams

- Employee fulfillment, health, and well-being

- Improved productivity and increased collaboration

THE BASICS

- Real-time space utilization

- Predictive versus reactive maintenance ratio

- Operational agility

Success for your team, until very recently, was gauged by simple, static metrics. Going hybrid drastically changes the calculus. CRE is now at the center of the workplace revolution, and its effect on the business and its workers will matter in a way it never has before. Ensure the successful impact of the new workplace by measuring things like:

- Employee engagement and satisfaction

- Innovation (new patents, products, or services the business produces)

- Revenue and profitability

Your impact on the business is more important than ever before. If the hybrid workplace you build isn't positively affecting the business, you'll need to make changes that improve productivity and innovation—not hinder it.

McKinsey: Optimizing the hybrid virtual continuum

Different hybrid workplace models will have varying effects on things such as attracting and retaining talent, worker productivity, and budgets.

	■ Desirable outcome ■ Cost to be managed		Ability to access talent	Productivity (individual & team)	Cost of real estate
Almost entirely on-premises	1) Limited remote work with large headquarters	Company leaders and employees centralized in 1–2 big principal offices	◑ (half red)	◕ (3/4 red)	● (full dark)
Hybrid models	2) Partially remote work with large headquarters	Company leaders and most employees spend majority but not all of their time within 1–2 principal offices	◔ (1/4 red)	◕ (3/4 red)	● (full dark)
	3) Partially remote work with multiple hubs	Multiple proportionately sized offices with leadership and employees dispersed among all offices	◔ (1/4 red)	◕ (3/4 red)	◕ (3/4 dark)
	4) Multiple micro-hubs	Leadership and employees dispersed across small-footprint micro-hubs located in various geographies	◕ (3/4 red)	◕ (3/4 red)	◕ (3/4 dark)
	5) Partially remote work with flex space[1]	No permanent offices; rented flex space used for periodic in-person collaboration (but not connectivity)	● (full red)	◕ (3/4 red)	◑ (half dark)
Almost entirely off-premises	6) Mostly remote work with no office sites		● (full red)	◕ (3/4 red)	○ (empty)

[1]Flex space includes temporarily (e.g., monthly) rented space used in select cities for periodic gathering and collaboration.

Chapter 6

Case study: JLL relies on Jet to solve room- and desk-booking challenges

While planning office re-entry, JLL chose Jet to keep people safe and informed of office status while making the work environment more collaborative and productive. The workplace team realized it would need a powerful solution to address employee needs and automate a plethora of tasks. JLL considered its options, and Jet was the best fit for their highly specific needs. It delivers space reservation capabilities and allows staff to submit HR and IT requests, view daily schedules, and see relevant floor plans.

"We've allowed so many people to come back, though local mandates change daily. They can go to Jet, see the status of their local office and where they can work, collaborate with teammates, etc.," said Head of Corporate Real Estate & Workplace, Americas JLL, Marcellus Parker.

JLL launched a pilot program, deploying Jet at 60 locations initially. Thus far, it's delivered significant benefits to the company by:

■ Providing the latest company news and updates. Jet is the single source of truth for local office status and re-entry

■ Enabling submission of HR and IT requests from wherever employees are working

■ Automatically displaying vacant spaces in a floor plan view, so people don't have to search for them

■ Allowing workers to reserve rooms and collaboration spaces

Jet gives JLL workplace teams visibility into how spaces are used and ways they can drive even more productivity and collaboration. It also informs facilities managers about areas that need to be cleaned.

The adaptable interface is personalized and works for people across the company. An ideal solution for employees in the office, working from home, or in a home/office hybrid, the mobile app also helps teams to keep pace with JLL's dynamic work environment and connect to multiple internal systems.

"All of this helped improve the work experience of our people," said Parker.
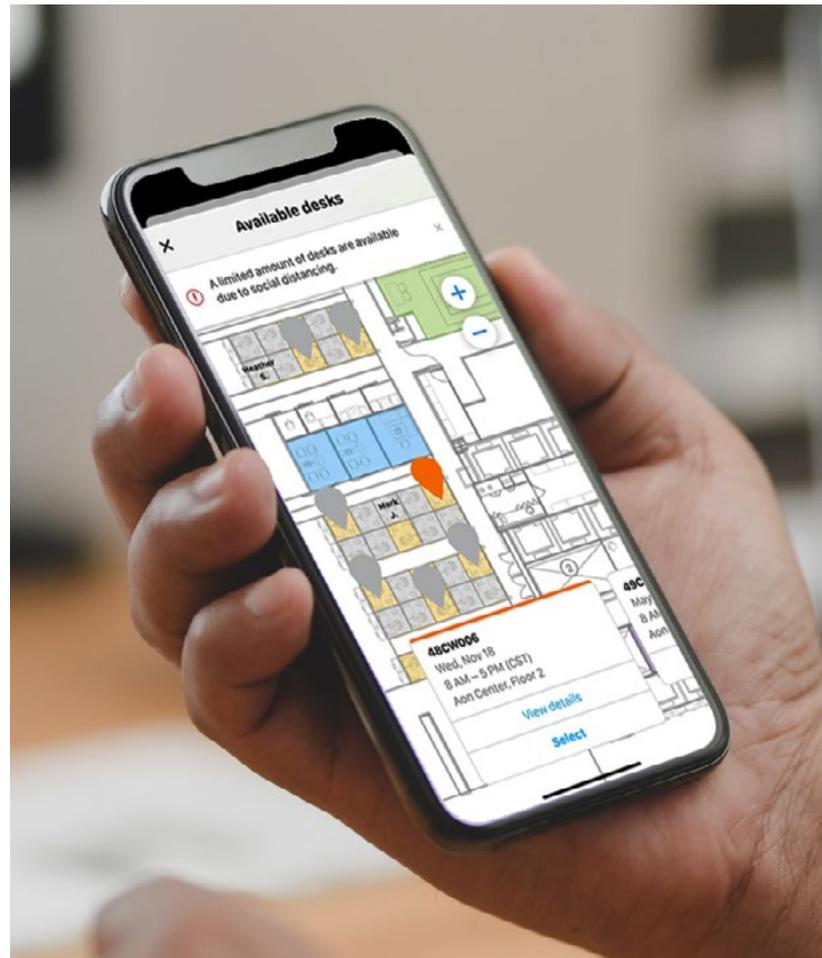
Chapter 7

Case study: Biotech firm evaluates new workplace design with VergeSense sensors

Amid a major office redesign, a biotechnology company with more than 30 facilities in its portfolio introduced new space with flexible seating arrangements to drive collaboration. This required repurposing space originally intended for meeting rooms and private work areas.

Did the company find the right mix? To find out, they needed a way to evaluate the results.

The company partnered with VergeSense and deployed more than 4,000 sensors across 4.7 million square feet of campus space. These sensors leveraged VergeSense's Signs of Life™, a proprietary algorithm that detects items people leave behind at their desks or workspaces, to offer a more accurate picture of occupancy.

VergeSense helped the company overcome significant challenges they encountered during their redesign.

They needed:

- New tools to efficiently locate available space among unassigned seating

- The right kind of usage data that employee surveys weren't providing

- A way to account for passive occupancy

At the time of the installation, stakeholders estimated a potential $13 million in value per year in improved employee productivity. Two years after adoption, the biotech company reported even better results:

- $30 million in annual savings

- 30% increase in user satisfaction with office footprint

Today, the company provides employees with the optimal mix of space dedicated to collaboration, socialization, and rejuvenation. Iterative improvements on workplace design are also easier, thanks to ongoing data collected by thousands of VergeSense sensors.
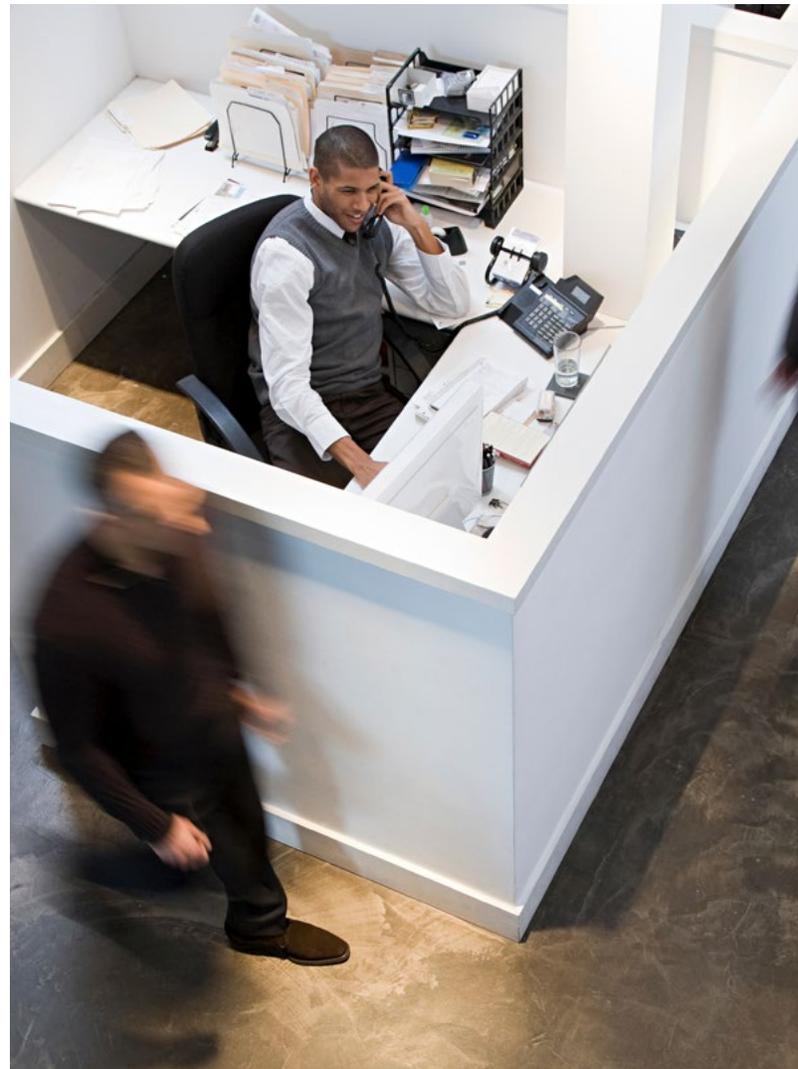
Chapter 8

Case study: Utility giant speeds up workplace projects with Saltmine

A global utility company with more than 23,000 employees partnered with Saltmine to help streamline its ongoing renovation of an existing 20-story, one-million-square-foot headquarters. Prior to working with Saltmine, the utility targeted many typical goals associated with a major workplace optimization program:

- Improving the success of projects by improving how quickly decisions are made

- Limiting the number of changes on a project within a feasible timeline

- Earning buy-in from key stakeholders on decisions

Time- and cost-efficiency were two core focus areas for the in-house team driving this project. They partnered with Saltmine to increase their visibility into projects and help stakeholders quickly understand and align with proposed changes to the design of the workplace.

The visuals and analytics in Saltmine painted a clear picture of how these changes would affect other areas of the business, resulting in greater buy-in and faster decision-making.

Saltmine's strategy module also allowed the in-house team to develop a mobility strategy and validate the design with architects directly through the app.

"Saltmine has helped tremendously with aligning expectations and ensuring stakeholders are on the same page," said a project manager. "You are able to show people what they are going to get, instead of using spreadsheets and outdated data points. We are able to show them how the experience works and what it will look like."

Representatives from Saltmine also trained and supported the company's architect while they developed planning and designs. Working with Saltmine's technology team resulted in significant time saved across the lifetime of the project:

- Project decision-making expedited by 80%

- Time spent programming shortened by four weeks

"From scenario planning to test fits—the fact that we are able to do this, in-house, with the help of Saltmine, is priceless," said a project manager. "It truly is a great collaboration platform. All of the executive presentations we are doing right now are an output of Saltmine."

Chapter 9

Building a better hybrid workplace is tough, but you're not alone

No matter where you sit on the hybrid continuum, JLLT is here to help

The coronavirus was a black swan event that had a huge impact on everything, especially how people work. A plan to regress to the old ways isn't the answer. Making sense of hybrid is. Implementing a more future-proof workplace model will enable you to:

- Improve the ROI and efficiency of your real estate portfolio

- Streamline operations and reduce costs

- Increase the utilization, productivity, and experience of the workplace

Figuring out hybrid won't always be easy, but it will be worth it. And JLL Technologies has the expertise, experience, and technologies to get you there.
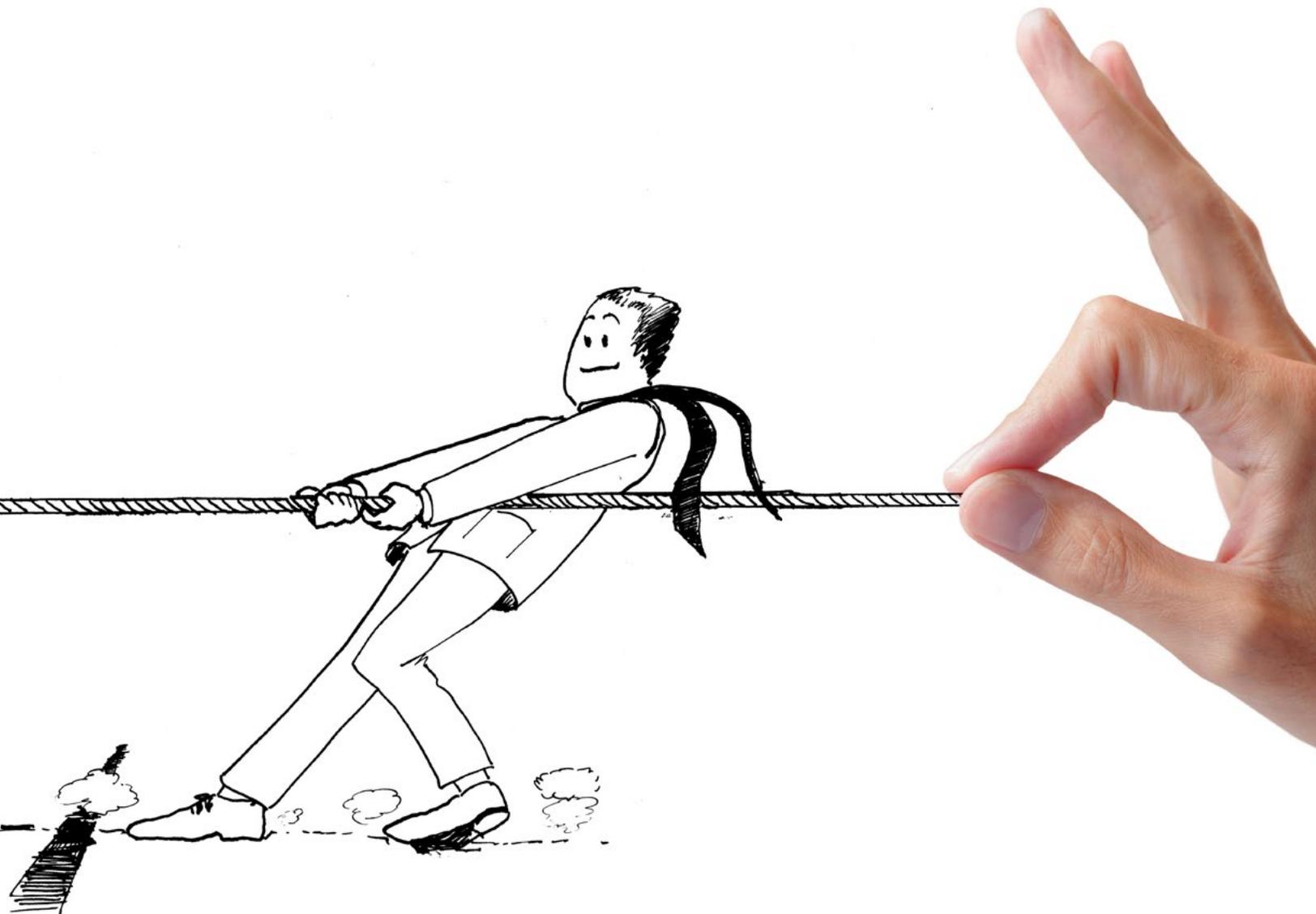
JLL/Technologies

About JLL Technologies

JLLT is a division of JLL, a world leader in real estate services, that helps organizations transform the way they acquire, operate, manage, and experience space. A first-of-its-kind team combining builders of high-growth tech companies and commercial real estate experts, JLLT delivers a comprehensive technology portfolio of purpose-built solutions and leading edge, venture-backed companies to meet and exceed the industry's demands for better business intelligence, workplace experience, and smart building platforms. Learn more at www.jllt.com.