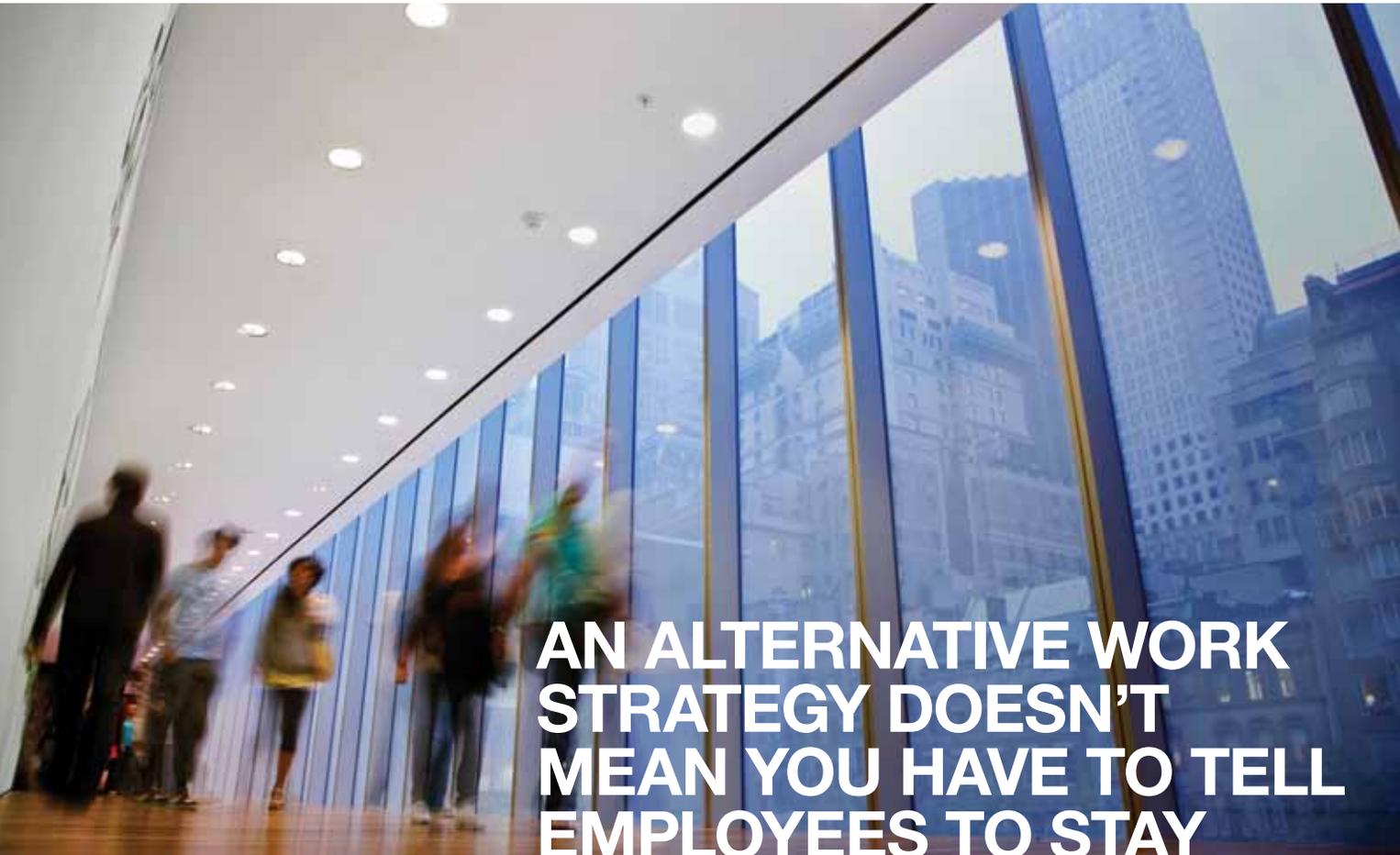


THE NEW THIRD PLACE

↑ Outdoor Terrace, WorkCafé, Steelcase Global Headquarters

**GIVING WORKERS CONTROL
AND CHOICE OVER WHERE
AND HOW THEY WORK**





AN ALTERNATIVE WORK STRATEGY DOESN'T MEAN YOU HAVE TO TELL EMPLOYEES TO STAY AWAY FROM THE OFFICE.

Free-address workplaces. Collaboration hubs. Third places, and now even fourth places. Alternative workplaces. Coworking spaces. Serviced offices.

Whatever they're called or where they're located, they're the workplace equivalent of the Zipcar – spaces that are shared, swapped, reserved, rented or simply claimed for a time, versus individually "owned." Like the Zipcar, these new workplaces offer a trio of advantages: financial, cultural and environmental. No wonder they're fast becoming an important component of the new normal for progressive companies all over the world.

The timing is right – some say overdue – for an extreme makeover of the traditional workplace. Shared spaces give owners a way to shrink real estate or optimize what they have to accommodate more people, which translates quickly into cost savings. At the same time, shared spaces are more appealing to build community and give workers choice and control over where they work, depending on the task at hand. And, as a form of collaborative consumption, they're an Earth-

friendly way to use fewer resources while still having everything that's needed for productive work in an interconnected world.

No wonder a growing number of organizations recognize that non-traditional workplace strategies and spaces can contribute to their overall business effectiveness and efficiency. By increasing shared space and decreasing assigned space, organizations can quickly and dramatically improve their real estate ROI.

A TURNAROUND ON THE WAY TO THE NEXT LATTE

The phenomenon of alternative work settings started more than a decade ago, as mobile technologies led to an eureka: knowledge work can happen almost anywhere – at home, in coffee shops, at the library, in a park or even, if you believe the ads, by the pool or at the beach.

In those early dot-com days, workers were lured away from the office and owners were lured by the potential to reorganize their workforce and spend less. A new term, "alternative work strategies," was born. It means allowing or even encouraging people to work anywhere they want.

Findings from a March 2011 survey sponsored by Steelcase Inc. and CoreNet Global confirm that now most companies have formalized an alternative work strategy. Only 14 percent said they don't have an alternative work strategy and aren't planning to implement one this year.

When alternative work was still a new trend, people speculated that workplaces could eventually disappear because everyone would instead be working at home or in "third places," a term defined by sociologist Ray Oldenburg as "great good places" where people can gather and interact, in contrast to a first place (home) and second place (work).

"Oldenburg identified eight essential characteristics that define third places," says Steelcase workplace researcher Frank Graziano. "Together, these characteristics create a de-stressing destination providing a sense of ease and warmth – a cozy feeling known in Germany as '*gemütlich*.'"

Because coffee shops were among the first public places to serve up wireless along with a *gemütlich* vibe, they quickly became popular third places for work.

8 CHARACTERISTICS OF THIRD PLACES

AS DEFINED BY RAY OLDENBURG

1. Placed on neutral ground
2. Act as a leveler
3. Conversation is the main activity
4. Allow for accessibility and accommodation
5. Host a stream of regulars
6. Keep a low profile
7. Maintain a playful mood
8. Act as a home away from home

That is, until reality started colliding with the dream. “Everyone thinks working away from the office is ideal until you do it,” is a sentiment expressed often by today’s mobile workers.

The Steelcase/CoreNet survey confirmed that, while most companies have alternative work strategies in place, most workers are still coming into the office anyway. Nearly 50 percent of respondents said they have 10 percent or fewer employees covered under their alternative work strategy.

Most workers are still coming to the workplace because they believe it’s the best place to get work done. Specifically, more than 70 percent of respondents said the office is the best place to interact with colleagues, and 40 percent said the office provides access to needed tools and technology.

But that doesn’t mean they’re satisfied with the workplaces they have. They’re working in new and unconventional ways, and their needs are different and more complex than ever. Despite this reality, two out of every three workers feel that their current spaces don’t support a variety of activities, according to Steelcase Workplace Satisfaction Surveys.

Especially because more is being asked of workers today, they want the best of all worlds: the right tools, a range of comfortable and

welcoming settings and, more important, the ability to collaborate easily with other people.

Increasingly, says author and social theorist Richard Florida, there’s a need for what he calls fourth places – “where we can informally connect and engage and dialogue, but also where we can work.”

MORE CHOICES FOR WHERE TO WORK

A growing number of organizations now recognize that non-traditional workplace strategies and spaces can contribute to their overall business effectiveness and efficiency. Steelcase researchers have categorized the various places where work gets done, and focused on alternative workspaces that extend a company’s real estate or are within existing facilities.

The lingo is evolving almost as fast as the spaces, but in general here’s what the terms usually mean:

- **Coworking facilities** are an alternative to working at home with an emphasis on creating community, usually for self-employed individuals and small start-ups
- **Serviced offices** provide convening spaces for groups that need to work together for a specific number of days; used concurrently or sequentially by multiple groups or companies; also sometimes called collaboration hubs.
- **Co-owned/leased facilities** put multiple companies into one workplace on a long-term basis, usually with separate spaces assigned to each company and some shared.
- **Satellite offices** provide corporate hoteling options for a company’s mobile employees.
- **Hybrid facilities** combine resident and mobile employees in a single corporate space.
- **In-house third spaces** provide a casual, coffee-shop atmosphere for work within a corporate space.

These types of spaces, especially coworking facilities, are emerging in major urban centers around the globe. According to one estimate, the number of coworking facilities has doubled in the past 18 months, now up to about 1,000 worldwide. Coworking spaces and satellite offices are proliferating especially fast in much of Europe, according to Steelcase’s Sudhakar Lahade, who has researched workplace cultures and generations globally. Looking at regional, cultural and social trends, it’s clear that there’s negative stigma attached to working at home throughout most of Europe. No doubt a contributing factor: Many residences in Europe are smaller compared to North American standards, and there’s typically not extra space for a separate home office.

Another reason European companies and municipalities are aggressively supporting coworking is to reduce the negative environmental impacts of car commutes. For example, in France every day 50,000 people come into Strasbourg for work, 87 percent of them by car. The city hopes to create six coworking centers in the next three years to reduce the distances that people commute for a least a few days a week.

In India, streets are congested and commutes are long even on mass transit. Working from home typically isn’t possible, due to a joint family system and the size of homes. As a result, India could quickly gravitate to the emerging trend of satellite offices, says Lahade. This could have a favorable effect on a company’s ability to attract and retain the best talent, a big issue in India’s economic climate of galloping opportunity. Moreover, he adds, “such places could act as a leveler for people coming from diverse social, financial, educational and religious backgrounds, and therefore become highly desirable.”

No matter where they’re located, as alternative workplaces are created, they’re bringing people, space and technology together in new ways.





↑ Social networking is a big part of the draw of coworking spaces (like betahaus in Berlin - pictured above and left), and shared team spaces make it easy to mingle and exchange ideas.

COWORKING: BETAHAUS BERLIN

“The coworking concept is perfect for the daily working life of our generation,” says Tonia Welter, co-founder of betahaus in Berlin, a coworking facility that caters to a growing number of freelancers and small start-ups. “It’s the materialization of Facebook, social networking in real life.”

Workers rent space by the day or month, and share all the resources there, including wireless connectivity, laser printers, open areas for conversation and brainstorming, meeting rooms for collaborative brainstorming or customer presentations, a kitchen and what’s called the “Open Design City,” an experimental studio to create mock-ups of new product ideas.

Designed by Klemens Vogel from Vogel/Wang Architektur, the ambience is a cross between a café house in Vienna and an internet café in Silicon Valley, providing social contact within a supportive workplace.

Coworking facilities provide a better balance in what Welter describes as “the small frontiers between work and life.”

“Everyone needs an efficient work environment that provides all the necessary technical equipment and also supports wellbeing,” she says.

At betahaus, there’s good food in the café, indoor plants and access to an outdoor garden and multiple environments to suit a mood or task. Sited close to public transportation and restaurants, the facility makes it easy for people to leave their cars at home. The median age of users is 25–35, and most of them come by bike.

The café is the entry point where people can meet and mingle. A weekly breakfast forum is opportunity for people to present themselves and share ideas. One floor above the cafeteria are open spaces for people working on their own. Another floor up is for start-up companies, with team spaces for 4–8 people furnished by Steelcase with *cobi*® chairs and mobile *Frisco*® tables. At the center, separate teams can come together to exchange, collaborate and co-create.

Karim Bouchouchi from the two-person company *netzweise* says he appreciates that the furniture does its job without demanding a lot of attention whenever it needs to be moved or adjusted.

The entire facility was intentionally designed to be a platform for networking.

“Some users have cooperated to create new start-up companies, win a new customer or simply consult with each other. Users are very

open and see ways to improve by tapping into coworkers’ expertise,” says Welter.

Opened in 2009, betahaus Berlin now attracts about 120 users on a regular basis. The founders have recently opened a betahaus in Hamburg and are planning for facilities in Lisbon, Cologne and Zürich.

The demand for coworking facilities is increasing rapidly in Europe. Although the movement started primarily to meet the needs of freelancers and small companies, a spill-over effect is underway as corporations and cities see the attraction these spaces have for employees and the potential they create for better, faster innovation. Perhaps a sign of what’s to come: “Is a coworking ecosystem the future of innovation in corporations?” was a topic covered in the “Coworking Europe 2011” conference.

“Coworking opens up new possibilities,” says Welter. “Imagine you can be in Lisbon in the summer surfing and in the winter in Zürich skiing in the Alps. Work wherever you want!”



↑ Not all collaboration is the same, and different types require different spaces. At GRid70, this room supports focused, generative collaboration, while other spaces have been designed for informative and evaluative work.

CO-LEASING: GRID70

Imagine the possibilities when you bring creative workers from five very different companies together in a single building.

GRid70 is a first-of-its-kind design hub in downtown Grand Rapids, Michigan. Amway, Meijer, Wolverine World Wide, Pennant Health and Steelcase occupy different areas within the four-story building, but share common spaces, too.

“Our belief is that mixing creative teams from different industries will spawn ‘happy accidents’ that inspire innovation, new products and different ways of thinking,” says John Malnor, Steelcase’s vice president of growth initiatives.

“Another benefit is that we’re all sharing the cost of very high-performance collaborative spaces that are being utilized 80 percent of the time. If each company created comparable space just for them, everybody would spend significantly more and have a much lower utilization rate. Especially in today’s economy and with commitments to sustainability stronger than ever, this kind of collaborative

consumption makes good business sense. Using less is better than using more.”

The fourth floor of GRid70, the shared space, consists of four different collaboration areas. The design of each is based on insights from Steelcase research, with different applications to support different types of collaboration: informative, evaluative and generative.

The Media Conference Room, for example, is equipped with a four-monitor media:scape collaborative setting, perfect for generative work among up to six people.

The Skunkworks Room, in contrast, is a highly flexible space designed for information sharing, brainstorming and iterative work involving up to 24. There are no doors, the furniture is all moveable and accommodates sitting, standing or leaning. There are whiteboards all over and, of course, the room is equipped for videoconferencing and projection.

The Forum is a private, closed-off room for up to 32 people. Equipped with both interactive and traditional whiteboards, it’s designed for intense and focused idea generation.

The Gallery is a fairly formal space for information sharing and evaluation, with a boardroom-style table that allows up to eight users to show their content using a media:scape offset application, with displays at each end of an asymmetrical surface providing optimal visibility for all participants.

The variety of spaces at GRid70 are tools that support worker’s basic needs, says Malnor – the need to be around others, to be stimulated by choices and changes, and the opportunity to network your way to new ideas and innovation. He describes it as “open platform thinking” applied to real estate.

Wolverine moved its product designers for eight diverse brands to GRid70. These designers were previously siloed in separate facilities. Wolverine made the move to increase communication, collaboration and innovation across the brands, says Rob Koenen, vice president and general manager for CAT footwear, a division of Wolverine World.

“The space and the technology at Grid70 are perfect in so many ways,” says Koenen. “We’ve learned that space can drive innovation as



much as people can. It can create a whole 'tribe' that looks out for each other and shares experiences and what they know."

The business benefits are clear. "We're seeing innovation get more engendered in the DNA of all of our company because of this space," says Koenen.

Cross-company collaboration is starting to happen, too, as people from all five companies mingle in shared areas. Recently, just by talking together informally, designers from Steelcase and Wolverine discovered that a material used in Steelcase seating could be a perfect solution for a Wolverine footwear product.

"The real value is driven by outcomes and impact on the organization in terms of more innovation and reduced cycle time on product development," says Malnor. "But there's an efficiency gain, too, in terms of needing less core space and realizing higher usage of the real estate."





“Our personal and professional lives are meshed now, and people need spaces where they can flourish whatever way they’re working.”

↑ Dining space, WorkCafé, Steelcase Global Headquarters

**IN-HOUSE THIRD SPACE:
STEELCASE WORKCAFÉ**

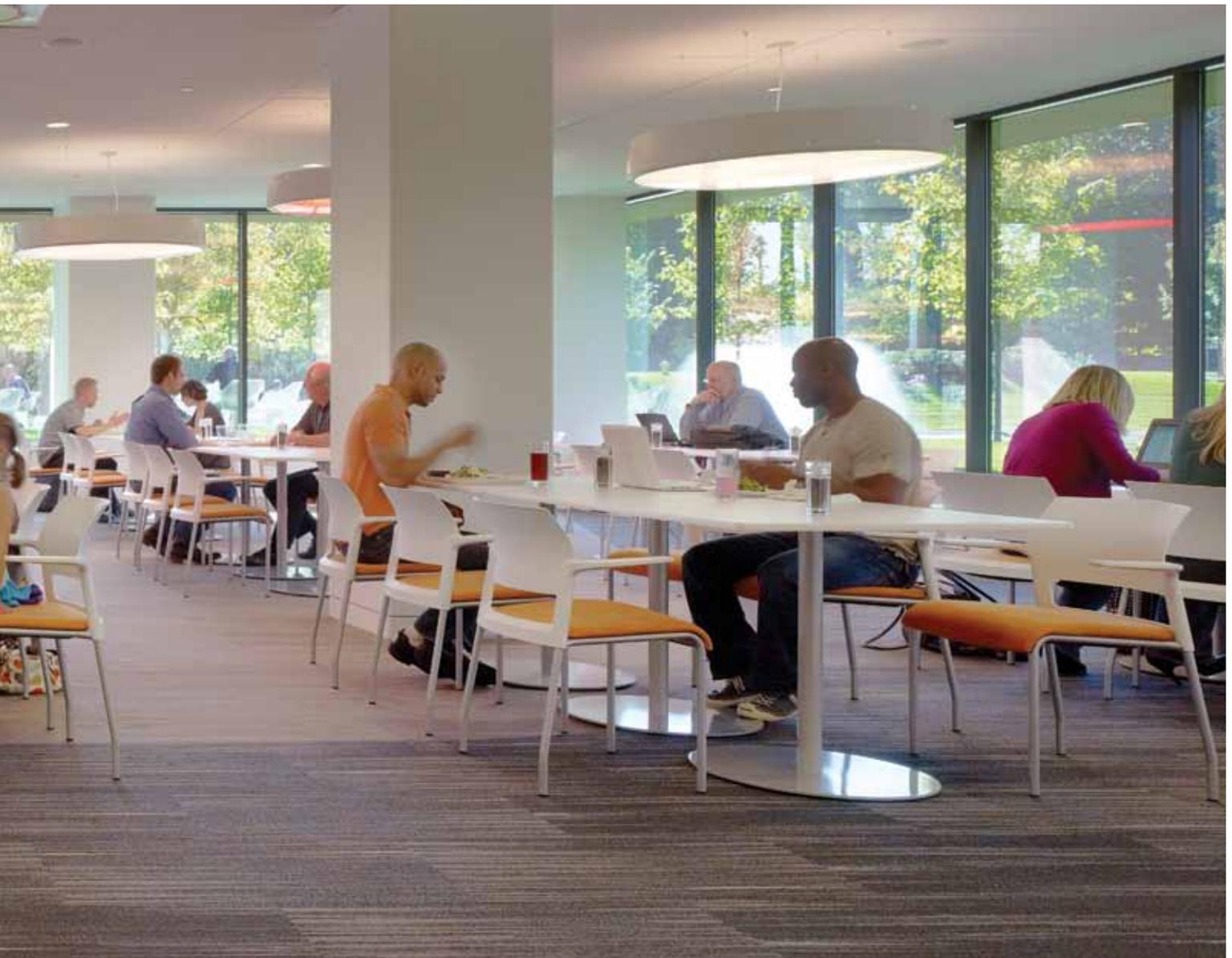
Adopting an alternative work strategy doesn't mean you have to tell your employees to stay away from the office. It's possible to reduce your real estate and keep employees at the workplace by creating an in-house alternative space.

At Steelcase's Global Headquarters in Grand Rapids, Michigan, the recently opened WorkCafé optimizes real estate by combining a cafeteria and a variety of work areas into square footage that was previously underutilized as just a cafeteria.

With a bistro ambience and high-functioning work settings, it's immediately become a destination of choice throughout the day for building residents, and mobile and visiting employees.

“We wanted to create workspace in the corporate world that typically was only available to small companies – you know, five guys and a dog in a small boutique firm,” says Joey Shimoda, AIA, principal of Shimoda Design Group in Los Angeles, the project's architectural firm. “Our personal and professional lives are meshed now, and people need spaces where they can flourish whatever way they're working, from very private spaces to very public spaces and everything in between.”

Designed to be both a hub and a haven, the WorkCafé supports almost anything employees want to do – catch up on work, catch up with colleagues, catch up on news and, of course, eat. There are a variety of spaces, including open and closed meeting spaces, areas that accommodate stand-up, sit-down or



perch postures as well as indoor and outdoor options. Choices range from places designed for focus to an open lounge with a Starbucks and a stand-up bar for quick, passing-by connections.

Colors were carefully selected to contribute to the mood of the different spaces, starting with bright colors that greet visitors as they come down a broad walnut entrance stairway canopied in part with a wayfinding sculpture. "I don't think any corporation in the U.S. has an entry like this," says Shimoda.

"As you come down the stairs and enter the space, that first area is the most open, the most social. It has more vibrant, warmer colors. The coffee bar is there, a pantry, the monitor wall with virtual links to Steelcase companies and locations around the world, and there's always a lot of activity there.

You see a lot of people and feel the energy of the space right away," says Barbara Goodspeed, senior interior designer with Steelcase WorkSpace Futures.

The intensity of hues progressively amps down until you reach a quiet study zone tucked in the rear corner.





Today's Specials:

Breakfast
Pasta, sauce and chicken legs

Entrees
Meat roasted pork tenderloin
+ 3oz. top of roasted vegetables

Desserts
Tiramisu

Sides
Cauliflower
Chef's choice

Salads
Pasta salad

Pasta
Meat sauce

Soup
Chicken soup
Chicken sandwich
Pasta & salad

Sunday's Specials
Red Lobster
Pasta & chicken

↑ Most company cafeterias boast a 60%+ occupancy rate only during lunch and are virtually empty the rest of the day. Steelcase's new WorkCafé provides spaces for working as well as eating, thereby boosting the overall efficiency of the space throughout the day.



↑ Collaboration Zone, WorkCafé, Steelcase Global Headquarters



↑ And you can eat here, too! All these spaces are directly adjacent to the food service area in Steelcase's new WorkCafé, occupying floor space that was previously for dining only.



↑ Den, WorkCafé, Steelcase Global Headquarters





↑ Base Camp and Connect Booths, WorkCafé, Steelcase Global Headquarters



Brand displays are inspirational and informative, especially an immersive sculpture that has engraved on it the numbers of all 1,320 patents Steelcase has secured during its 100-year history. Above, a reflective surface showcases the person standing beneath. The embedded message: Every employee is important to the success of the company.

Abundant video-conferencing capabilities make it easy for distributed teams to meet virtually, and there's a business center right down a hall if printing, scanning or photocopying is needed.

Near the kitchen/cafeteria are lockers to stash laptops and other valuables. Healthy food is available for extended hours, so employees who need to stay late or come earlier to videoconference with someone on the other side of the globe can be nourished.

The WorkCafé was carefully designed to merge work and dining and support varied workstyles, says Cherie Johnson, design manager, showrooms and branded spaces, Steelcase Design Studio. "We wanted to create a social, psychological and physical balance to promote a more positive sense of wellbeing. We wanted Steelcase employees to realize all the benefits of a connected workplace."

"This is a great example of leveraging real estate in new ways," Goodspeed says. "It doesn't always mean smaller, or simply more people in the same space. It means being smarter about what space can do, how you apply furniture, tools and technology to support how people live and work today."

PUTTING WORK IN ITS PLACE

With more and more mobility, work is becoming what you do versus where you go. Ironically, the freedom to choose where to work is raising the bar for workplaces everywhere. "Good enough" spaces are only good enough if you're required to be there or have nowhere else to go.

As IDEO's Tom Kelley says in his book *The Art of Innovation*, "Everyone knows the legend that innovation starts in a garage, but sooner or later we all grow up and need a place to work."

The same can be said of coffee shops, libraries, park benches, pools and most other casual third-place destinations: sooner or later, they're just not good enough places to do really good work. ●