

Virtual Organisation Winter series Seminar

December 2020



Key contacts



Jon Dymond

Director, Workforce,
Strategy & Culture

jon.dymond@pwc.com



Derrick Tate

Director, Real Estate
Advisory

derrick.j.tate@pwc.com

1

PwC viewpoint
/case studies

What is changing in real estate?

Many companies are re-thinking the role of their real estate with the intention of:

- redesigning and refreshing the space they need to occupy to meet changing needs;
- divesting of surplus space and leveraging more value from retained space to release savings; and
- introducing more flexibility to the portfolio to cope with future change.

The key is to understand and define the purpose of real estate including: brand, customer needs, business strategy and employee requirements.

Post COVID-19 most employees want flexibility in a hybrid workplace but this needs to be within the parameters of what the business needs in order to meet customer needs.

In the short term there is a window of opportunity to change.

The office of the future will need space typologies for different activities like those below and should be of “evergreen” design or be in “permanent beta”

Collaboration



Create



Communication



Coaching



Community

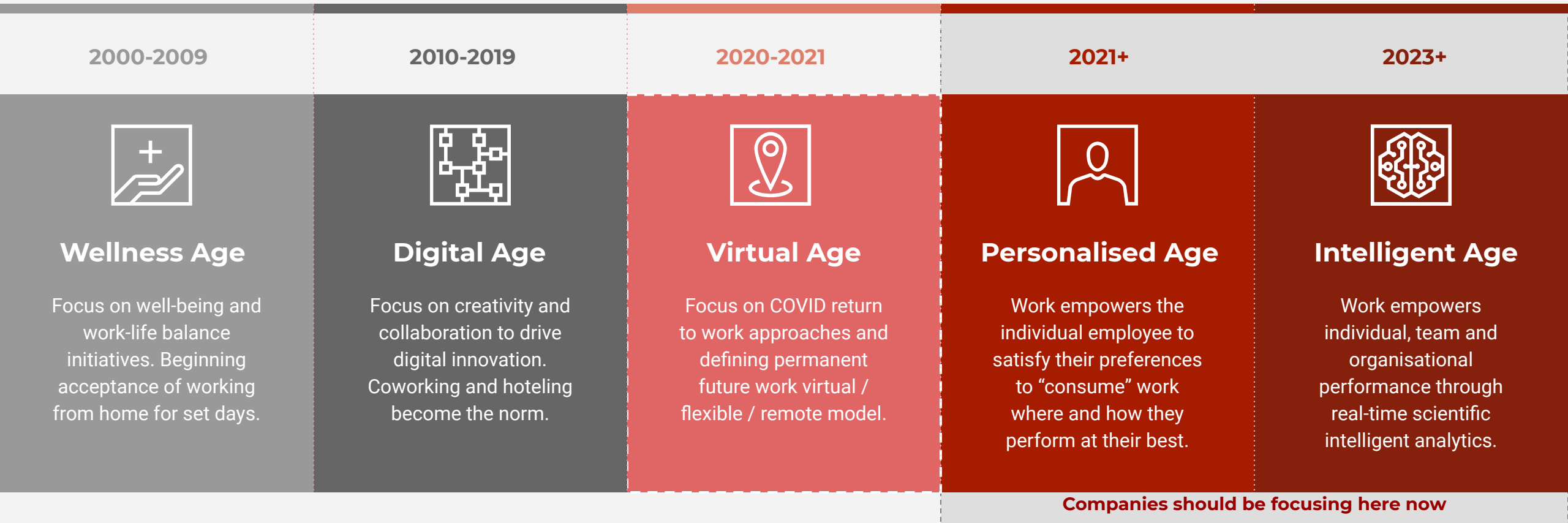


Diversity, inclusion, wellbeing and environmental sustainability should be part of the design of a new office space

The future of the office?

We see that most organisations are defining their virtual work strategies post-COVID with a location-based model. However, we believe the next frontier is personalising how individuals and teams “consume” work using real-time tools which leverage advanced insights from human sciences.

How can real estate support this in a more distributed world?



Case studies - FM & Real Estate

Insurance Company

Background

We developed a UK wide portfolio strategy to support the client's transformation programme and return to work after Covid-19. Key requirement of the project was to assess the future operating model which predicted working remotely at scale. The project involved quantifying the future space requirement based on workstyle analysis of the workforce, developing estate scenarios and considering exit options for onerous lease agreements, with due consideration of IFRS16, balance sheet, income statement and tax implications.

How we supported the client

We worked closely with key client stakeholder across the organization and supported the development and implementation of a vision for the future property portfolio. We worked collaboratively with the client teams to define the future vision of the office, identify space requirements and obtained buy-in from senior stakeholders. We conducted extensive workforce analysis in order to understand the future space requirements and agreed with the client the adoption of real estate targets to be reflected in the future state. A number of property scenarios were identified and two possible solutions were put forward to the board for consideration. The team developed a holistic and actionable portfolio strategy that was approved the Board for implementation.

Outcome

The Board approved the strategy and agreed to progress with the implementation and we are currently project managing the delivery of the strategy and progressing negotiations with the existing landlords.

PwC Everyday flexibility

Ten years ago PwC recognised a need to update its inefficient offices to accommodate the future business environment.

We implemented an office transformation programme to provide our staff with cutting-edge space. Our offices have been redesigned and improved to support our mobility and flexibility initiatives, while reducing our real estate and carbon footprint.

We took a data-driven approach. The analysis included location and scenario analysis on: expenses, network access, home working days, phone usage, barrier controls, working times, meeting room utilisation, client visits, travel to work, living costs per employee, millennial requirements, relative staff satisfaction scores, different office layouts, space standards, staff salaries and costs vs profit per employee.

Outcome



Office footprint has decreased by c30% (lease event triggers)

Headcount has risen by 24%

Workspace density (sharing ratio) – increased from 1.04 to 1.53 (+47%)

Target 70 sq.ft per person & 70% workspace occupancy on an average day

“Reimagine London” has increased our collaborative workspaces from 5% to over 20% and overall capacity by 17%

Property cost savings c.10-15% per annum

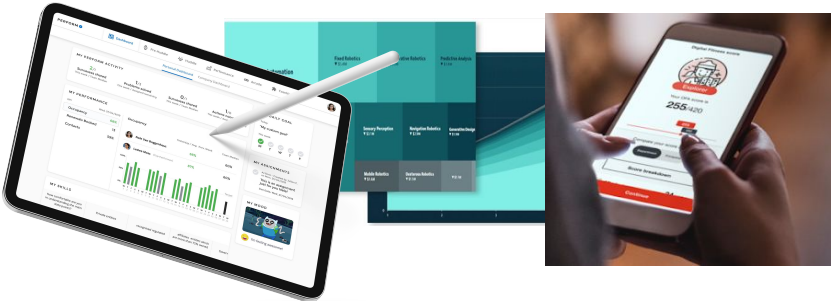
26% increase in satisfaction in offices that have been renovated

2

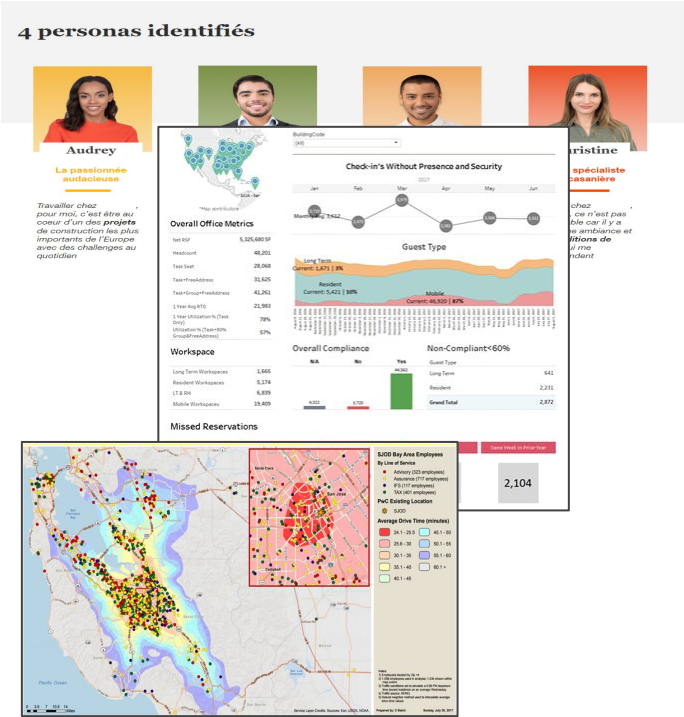
PwC offering/tool/ proposition

Business not buildings

We take a business not buildings approach. Your workplace is a physical manifestation of your culture and a critical enabler of your business strategy. Developing a robust, future-proofed property strategy requires an advisor that has the ability to bring a holistic understanding of the organisation itself. We'll support you by bringing the best of our thought leadership, access to and insight from our industry experts, whilst demonstrating that we 'walk the talk' with regard to our own property portfolio.



Research and thought leadership



Digitally enabled frameworks & methodologies e.g. Faethm, Perform+, Digital Fitness App

Real estate & workforce analytics

6 week case for change

Our approach will enable you to make an informed case for change including financial and non-financial benefits. Over 6 weeks we'll bring the best of PwC and rich data-driven insights that challenge your thinking, enabling you to set a compelling workplace vision alongside an actionable, practical plan to deliver it.

