

Workplace Synergies: An Emerging New Service Bundle

Best practices are taking shared services to a whole new level by combining IT with facilities and real estate services. We analyze the rationale for shared workplace services and identify their major benefits.

Core Topic

IT Management: Workplace Transformation

Key Issues

How will organizational strategies evolve to support transformation to the electronic workplace?

What new infrastructure service offerings are emerging to support the workplace transformation process?

Strategic Planning Assumption

By 2003, IT will merge with other enterprise functions such as real estate and facilities management to provide shared-support services and integrated infrastructure management in 30 percent of North American-based global organizations (0.7 probability).

Who Should Read This Research Note? Why?

Senior business leaders and chief financial officers as well as human resources, IS organization, facilities and real estate executives who are confronted with the need to rebalance investment between traditional bricks and mortar infrastructure and IT infrastructure, and who have concluded that their enterprise work environment needs to change through a focused workplace effort to attract and retain a competitive workforce.

With the enormous growth of the Internet and its impact on business relationships, the “how, when and where” of work is continually being transformed. Alternative office techniques (see Note 1) designed to maximize employee flexibility and collaboration demand new and more-integrative planning, implementation and support from those responsible for delivering workplace solutions to the enterprise. End users want “one stop” shopping. Managers want a single point of accountability for workplace service quality. Executives want to see workplace investments and paybacks as an all-inclusive financial metric. One solution to these new management demands and workplace changes is to reorganize workplace delivery and support into a shared-services organization. What makes up the specific value proposition of this new organizational model?

Best-practice organizations have consistently identified five major benefits to bundling IT, facilities and real estate into a shared-workplace-services organization:

Integrated Planning: Business units are increasingly demanding an integrative approach to workplace planning and budgeting. A shared-services organization approaches unit workplace needs as a systems problem, beginning with business goals and related organizational behaviors. Which application tools and network capabilities can best support desired results? Given the new work styles enabled by IT, what are the appropriate locations, work settings, furnishings and office arrangements that best support these new styles? Planning together, IT and facilities professionals can best identify opportunities, constraints and cost tradeoffs in the planning process.

Project Coordination: A shared-services organization can offer a single point of focus and internal customer support on various change projects such as facilities rearrangements, expansions,

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Note 1

Alternative Work Settings Defined (General Services Administration Report: "The Integrated Workplace"; Office of Real Property, 1999)

Hoteling: Employees call to reserve a workspace.

Moteling: Employees check in on arrival and are assigned a workspace with no advance reservation.

Shared Space: Two or more employees share a workstation.

Caves and Commons/Privacy Space: A combination of individual workstations and group work area.

Free Address: A mix of unassigned private and open-plan offices and team and retreat areas combined in one large integrated space.

Home Base: An arrangement where an employee has a permanent workstation as well as a workspace with another group.

Relief Space: A huddle area where employees can interact with other employees to generate spontaneous or creative problem solving.

Team or Group Address: This work environment is designated for use by a specific project team for the duration of a project.

Conference/Multimedia Space: Special communication, teleconference or presentation facilities that are provided in a separate space.

Teleworking/Telecommuting: Employees work at home, at an alternate work facility or in a virtual environment.

Satellite Offices and Telecenters: Alternate work facilities located closer to employees' homes.

Note 2

ETCO Definition

The current IT TCO chart of accounts includes five direct cost elements (hardware and software, IS management, IS support, development, and communications) and two indirect cost elements (end-user IS costs and downtime). ETCO adds direct and indirect costs to IT TCO to include direct and indirect occupancy costs, home office setup, direct and indirect non-IT equipment, and direct and indirect non-IT support costs.

Related Research

- IDRC Predicts Merger of IT With Other Corporate Functions (*Research Note E-06-9879*)
- Cost Analysis Beyond TCO: The Bigger Picture (*Research Note SPA-06-8459*)
- Integrating IT Into Facilities Projects: A Checklist for CEOs (*Research Note TU-07-7426*)
- Organization Synergies: Workplace Transformation Process (*Research Note TU-09-2126*)
- Sun Microsystems' Workplace Transformation (*Research Note CS-09-8006*)

renovations or relocations. There are a myriad of synergies that result from a shared-services project management approach. These include project management efficiencies, improved cross-disciplinary communication, improved communication with end-user representatives, and pinpoint accountability (a single project team assumes all responsibility for project execution). In addition, the due diligence for mergers and acquisitions can be more tightly coordinated by a shared-services organization.

Integrated Performance Metrics: A shared-services organization will invariably institute shared-information systems where IT data and facilities data are organized and portrayed as integrated data sets. Users can see their resource costs allocated to workgroups, locations and business processes, whereas in a traditional organization, IT and facilities costs are typically tracked in separate accounts by different organizations. Best-practice organizations are adopting enterprise total cost of ownership (ETCO) as a more-inclusive costing metric for the integrated workplace (see Note 2).

Consolidated Help Desk: A shared-services organization is better positioned to offer a consolidated help desk for all workplace-related issues, from desktop and telecommunications problems to environmental problems such as lighting, temperature and furnishings. End users call one contact number for help whether it is an IT or facilities issue. Such an approach improves customer service and problem tracking, consolidates help desk personnel, offers opportunities for cross-training and job enrichment, and greatly enhances management's insight into problem trends and causes.

Operational Synergies: Organizations that have created shared-workplace-services organizations are discovering innovative operational efficiencies. One organization instituted a "new employee processing service." The new employee registers on the enterprise intranet and is immediately equipped with desktop, workstation assignment, phone number, travel credit card, business cards, office supplies, stationery and other necessary resources.

Bottom Line: E-business is propelling the transformation of the workplace, and shifting the balance from "bricks" to "clicks" to increase flexibility, reduce cost and improve people performance. Best-practice enterprises are bundling workplace services that impact the user into a single organization. For many enterprises, such a move may be premature. However, for enterprises that want streamlined, highly coordinated, single-point accountability for end-user support, consolidating workplace services is the obvious solution.

