A special report: How smart companies unleash value from their work spaces
The smartest players in Corporate America are parlaying their work spaces into a competitive advantage. Here’s how.

Design, Leveraged

For decades, businesses have viewed their work spaces as “overhead,” a necessary evil of spending on desks, carpet and pricy lighting. But now, smart companies are shifting their thinking on design: The firms doing the hard work to get it right are reaping the benefits right down to their bottom lines.

Rest assured, we aren’t just talking about the eye-popping Google and Facebook offices, those kingdoms of uber-chic chaos and (dare we say) indulgence. Their designs work great—for them. But most of Corporate America doesn’t fill its seats with 20-something engineers eager to pull all-night hackathons.

Why is design critical for the rest of us? Consider these three factors: Real estate costs are rising roughly 10 percent a year, a scorching war for talent is underway (and expected to worsen) and the demand for innovation amid global competition is acute. The workplace is where it all comes crashing together. Yet, only one in four U.S. workers say that they have optimal workplace environments, according to a 2013 survey by San Francisco-based architectural firm Gensler.

So for this report, we set out to learn how business productivity and design best align. We read stacks of reports from the design community and academics. We interviewed dozens of business experts. And we visited a wide variety of smart companies around the U.S.—not just the design darlings, but the cash-generators and industry-innovators, large and small, to understand how they deploy their work space to further their business goals.

Our conclusion: Design may be the single most underleveraged tool in the business world.
Walk into one of Pirch’s ultra high-end kitchen and bath stores and the first thing that greets you is a long, stylish coffee bar. White porcelain cups are lined up perfectly in the front, each handle facing to the right. Designers might be sitting along the sides of the bar with clients, talking over the relative merits of Thermador vs. Wolf ranges. “Welcome to Pirch,” says the Barista of Joy, peering at you over the espresso machine. “How may I help you today? Would you like a coffee?”

Now walk into the company’s new San Diego headquarters. The first thing that greets you is the same, marble-topped coffee bar. The cups are in front, handles still to the right. Employees might be sitting along the bar comparing the sales statistics of Thermador vs. Wolf ranges. “Welcome to Pirch,” says the Barista of Joy. “How may I help you today? Would you like a coffee?”

It’s not Groundhog Day. Instead, meet the blending of the retail and office experiences. “We decided not to have a receptionist, but a whole new way of greeting somebody,” says Jeffery Sears, Pirch’s CEO, who could be speaking of either location. “At our stores, people don’t want to be bombarded when they don’t know what they want yet; you have to welcome them in. At the office, we wanted to build in a true sense of welcome, of belonging at the office.”

For decades, corporate offices were designed to reflect organizational hierarchy, with power reflected by a corner office or a count of ceiling tiles. But in recent years, as collaboration and interaction have grown in importance, smart companies are examining other elements of design to make people feel more at home. From our research, we were able to isolate a number of factors that allow leading businesses to leverage design in profitable ways. Three of the concepts, we learned, are simply universal.

Universal Truth No. 1: The most powerful designs reflect your organization’s culture. Companies must start by knowing who they are—and how their employees do their best work. Not many do. A 2013 Gallup survey revealed that only 30 percent of U.S. employees are actively engaged in their work. How likely is inspiration amid that apathy? Put another way, a football table isn’t going to magically unleash innovation.

“A lot of these companies decide to try to get on the Best Companies to Work For list by turning to their design, but that drives me nuts (because) it’s working on the window dressing,” says Kimberly Scott, a former Hewitt Associates project leader for that list and now the director of the Master’s program in Learning and Organizational Change at Northwestern University. “Doing those cool things doesn’t make you a best company to work for. It’s really about fitting the culture, more through policies and practices instead of coffee bar and dry cleaning services. Start with your strategy.”

Universal Truth No. 2: Today’s knowledge workers require variety and agility to get the job done. They need multiple venues for their multiple selves. Quiet, head-down places; meeting spots for two or three people; accessible gathering places to collaborate via video. Working at the same spot for eight hours a day is long over—or should be if you want the best from your work force.

And that dovetails with some startling good news in Universal Truth No. 3: Savvy design can reduce real estate costs. Rising real estate prices and advances in technology are squeezing average individual work space to a record small 150 square feet on average or less, compared to 250 square feet in 2010. But smaller personal turf leaves room for a vibrant mix of “wow” cafe-style spaces, tricked-out kitchens or comfy nooks for quiet—while still reducing the overall footprint. Research bears out the counter-intuitive idea. In a 2013 survey, the Mancini Duffy Center for Workplace Innovation found that 83 percent of respondents said that they would use alternative spaces if provided. “It was an ‘aha!’ insight,” said the New York-based architectural firm.

Those universal truths aside, how are successful companies bolstering their bottom lines through design?

This report boils our work down to eight critical elements to make workplace design a tool to serve business goals. Read on.
ing what works in other kinds of spaces, and have begun opening up their floor plans, tearing down of fi
cce walls, much like retailers. They are swiping great ideas from hotels, hospitals, bars and retail
-ers. After all, those enterprises specialize in com
fort, interaction, camaraderie and engagement.

So while Pirch, the retailer, uses design to boost sales, Pirch, the headquarters, uses similar design
thinking to increase productivity.

Pirch didn’t have to look far to pull smart con-
ccepts from a retail environment—its own, naturally. The coffee bar is a prime example. At the stores (there are five now, in southern California and sub-
urban Chicago, Dallas will open late summer 2014), Pirch uses those warm beverages as a way to say, “Thank you for coming to visit us; here’s some nourishment,” Sears notes. At the office, the mes-

age is the same: We’re glad you’re here today.

Meeting rooms at the headquarters resemble pri-

vate design rooms at the stores, including curtains that allow an adjustable level of privacy. Mean-
while, each Pirch store has a gourmet chef who cooks—or helps customers cook—as a way to dem-
onstrate the kitchen appliances. The headquarters, in turn, has a chef who prepares gourmet break-
dasts and lunches.

“When you walk in here, you could believe that the headquarters birthed the vision of the store—but it’s actually the opposite. The stores birthed the vision of the headquarters,” Sears offers. (The office, which is home to 54 employees but has space for double that, has one advantage over the stores: a fitness center with a personal trainer ready to help improve the workout experience.)

Sears and business partner Jim Stuart joined together to start Pirch in 2009, following a long, casual conversation between the two about “living joyfully,” Sears recalls. “We just sat down the fi
rst day and talked about life, how we would want to be treated.” Later, they looked at the kitchen, bath and backyard retail environment, finding it lacking at the high end. Home Depot had tried its Expo con-
cept, but the experiment failed.

Sears and Stuart thought they knew why: the cus-
tomer experience was all wrong—too big box, not enough welcome in the design or execution. They opened their fi
rst Pirch store in San Diego in March 2010 in a warehouse area of the city, then refocused on building only in premium retail centers that fea-
ture brands like Lululemon, Fendi and Louis Vuit-
ton. Sales have soared since, and are poised to top $100 million in 2014.

In fact, after adding the chef and trainer at the headquarters, Sears urged tentative employees to use those perks, in part by exercising himself at varying hours of the day. “There’s a return on investment I’ve already seen on an activity basis and productivity basis,” he says. “We don’t measure pounds lost but I’m seeing people get healthier, shed pounds. I know this is improving our quality.”
Byron Trotter, a young 3M designer, has three desks but uses zero desk phones. “A desk phone is like a typewriter,” he says. “That’s not going to happen.”

Trotter spends his days on his cell phone, dashi- nging between technology, business and design teams, striving to inject design thinking into the traditional 3M culture that assumes, for instance, that every desk requires a phone. It’s a challenge just getting around. 3M sprawls across a 40-building St. Paul, Minn., campus. Most buildings are filled with high-walled cubicles and dark hallways dating from the 1970s. The far-flung, siloed workplaces send exactly the wrong message for a $30 billion company that has become synonymous with innovative products, from its now ubiquitous Post-it notes to the cutting-edge electronic components in cell phones and flexible films and coatings.

But 3M is rolling out a campus redesign—and, true to form, experimenting as it goes—with mobile, collaborative employees like Trotter in mind. The result? Mostly successful, with a few rejected fads along the way, evidence that not every new design trend is a winner. “We are trying a little of this and a little of that and seeing what works,” says Trotter, who is global design manager for the architectural markets group. The old, deliberate 3M dog is learning some new tricks.

One new trick: vibrant public spaces. A tired display of 3M products is gone, replaced with a row of glassed-in work spaces and conference rooms, open to any employee happening by. A heavily-trafficked Starbucks sits in the same open hallway. Gone, too, is a former parking lot in a center space between four buildings. Now it’s a park with green
ery, benches and tables, a natural setting for meet-
ings and lunches. “This is who we are, nothing to
hide,” Trotter says of the glass work spaces. “Let’s
face each other and interact with each other, and let
everyone see it happen.”

Skyways and tunnels between buildings are wider
and brighter in the new design, and act as a show-
case for 3M’s latest products. The dim corners of
the old days are now lit with what appear to be sky-
lights, but are actually state-of-the-art LEDs wrapped
in light-diffusing film, and walls are covered with
one of 700 available DI-NOC wall finishes. Video
screens, couches and tables in skyway intersections
invite impromptu meetings. “We don’t have to go to a
formal space,” says John McRell, division engi-
neering manager. “Our hallways are our conference rooms.”

And with the amount of space, those same hallways
can become exercise venues, too, especially in Min-
nesota winters: 3M posts mileage markers at various
spots, for a walking workout for employees discuss-
ing, say, the latest on white noise technology.

McRell is bracingly candid about some redesign
attempts that were duds. It reflects 3M’s willingness
to test new ideas and products in small-risk ways in
its own campus marketplace. “We are all about pro-
cess,” he says. “We want to get it right.”

For example, McRell points to the test of an “open
bench” system, with tech workers side by side at
long tables. 3M tried it for an IT project, implement-
ing some SAP software, but the layout wasn’t well
received. “They crammed them in,” he recalls, shak-
ing his head. In the future, “we are not doing it.”

Other day-to-day work spaces are tricky, too, but
3M is settling on the right balance between its but-
toned-down, closed-door history and modern col-
aboration across its 88,000 employees worldwide.

Debra Rectenwald, vice president of the infec-
tion prevention products group, recalls that when
a manager rose through the ranks at 3M, she was
rewarded with an office, and everything in it signi-
ﬁed precise status. She once put an extra chair in
her ofﬁce for a meeting. “It was gone the next morn-
ing,” she says.

Now those daylight-sucking perimeter ofﬁces
have vanished from her group’s section of the build-
ing. Her team members work at sit-to-stand desks
in natural light in open cubes. She encounters her
team working in booths in its new “cafe” space, or
in a conference room outﬁtted with treadmills. “I’m
sending fewer emails, we’re having fewer meetings,”
she says. “We are in love with this.”

On paper, her team is crowded—as 38 people
occupy space where 100 worked before. But the
tighter quarters feel serene, because workers are
making use of all the alternative spaces. “We have
more people in the same square footage, but they
have more choices,” says McRell, one of the space
designers. “We are pushing for collaboration.”

But it requires some ﬁnesse. Down a hallway
from the open ﬂoor plan is a fancy meeting room
called “inspiration space,” with a circular couch,
mod chandeliers and dramatic curtains. “We were

ALL PHOTOGRAPHS: BRANDON STENGEL OF FARMS STUDIOS
trying to get people together in a relaxed atmosphere,” says McRell, glancing around in thought. But the under-used room lacks any tech hook-ups or video screens, and at 3M, even spitball sessions require technology.

Another misfire is a room called the “library” filled with private carrels and envisioned as a place for total concentration. “We thought we needed the quiet space,” says McRell. “We don’t.”

Every change, successful or not, influences the next design, as the company shifts from a blueprint for a 1960s bureaucracy to a workspace to attract mobile millennials. “We have a lot of gray hair here,” says McRell, pointing to his own head. “But we are looking to the future.”

“you need impromptu gathering spaces where you cross paths, intentionally or unintentionally. you need to have hubs where people are socially engineered to mingle. it might be annoying to have one central copier, but you want people to get up from their chair. i know a company that ordered the slowest elevators possible, and put the stair-case next to them. there is real benefit in people walking around, talking to each other. companies spend good money to communicate through branding and graphics. but they are missing an opportunity to build relationships with staff, creating bonds and pride and camaraderie with design. you want people to feel proud that they work there.”

“the individual workplace is rapidly shrinking,” moving workers to open bench systems. “architects love these pristine, long benches. they say, ‘how cool is that?’ i say, it’s not cool at all. i don’t buy the ‘before’ photo. they are a mess after people move in. they lack storage, and some jobs, especially mechanical engineers, need their stuff all around. at the very least, make certain to have niches for two, four, six people to work in together or privately. at some point, people need to have their heads down, to concentrate. you need to have lots of choices for enclosure, for media sharing, for allowing a few people to plop down together at a table.”

"A lot of places are still lit for the tasks of the past. People get headaches in the afternoon, and they think it’s their work, but it’s the lighting.... The magic mixture is natural light, plus perfect task lighting. Today’s LED task lights are amazing. They have hit prime time."
Walking up to Zappos headquarters in downtown Las Vegas, there are no shortage of clues that this will be an unusual — scratch that, absolutely zany — sort of corporate experience. 

Clue 1: The physical space. The online retailer’s offices are set in the shadow of The Mob Museum and the alternately seedy and exciting old downtown Vegas. The campus comprises the formerly abandoned old City Hall, a Guggenheim-esque structure built in the concrete-happy 1970s to accommodate Las Vegas’s range of urban needs, from the city council chambers to the much-used jail. (Both remain, as features of Zappos headquarters.)

Clue 2: The demeanor. Like every company, a welcome video offers a first glimpse into how the organization wants to position itself. What you see is who they want you to think they are. At Zappos, the film opens to this: a 20-something blonde wearing a sleeveless shirt, her exposed arms blanketed shoulder to wrist in colorful tattoos. She is the face of Zappos (or at least one of them).

Clue 3: The tightly packed space itself. Let’s start here: the CEO, Tony Hsieh, works from a cluttered, so-far-from-private desk that a visitor would be given for thinking an intern sits there. On a recent day, a single sneaker, a bag of fried pork skins and a few action figures adorned the surface. Wedged in among more than a dozen others in an area called Monkey Row (the term “executives” felt too haughty), Hsieh doesn’t even claim the end of the row, just another sit-to-stand adjustable desk in the center of a strip of tables.

Clue 3a: You want offices? There are three — in the entire 1,600-person headquarters complex. Two
are for lawyers. The other is for the life coach, who is available to all employees for working on goals ranging from career to weight loss to relationships.

Quite clearly, Zappos isn’t a place for fuddy-duddy, rule-following corporate types. The place screams “we are us!” at each turn, in a culture so joyful and so strong that Hsieh’s book about building it, Delivering Happiness, was a No. 1 New York Times bestseller. Consider one key maxim for hiring during a months-long process of seeing whether a prospect is a good cultural fit: Would the interviewer want to go grab a drink with that person? If not, the hire likely won’t happen.

In short, this is about as bottom-up an enterprise as you’re likely to see, filled with decisions made by thoroughly empowered employees who thrive on the chaotic energy of the space. It is packed with 20-somethings who couldn’t embody the slacker generation less. Zappos is, in fact, a tough place to be a headphones-wearing introvert. (One Core Value: Create fun and a little weirdness.)

But for the team that makes the grade, the structure is perfect. There are no part-time staffers (too hard to fit into the culture), and every employee, even those working standard eight-hour days in the 24-hour call center, gets an individual, personizable desk. “Maybe a call center efficiency expert would say we’re nuts,” says Brad Tomm, Zappos sustainability manager. “But a culture expert would never say that.”

As a result of that culture, Zappos is a factory of productivity—in part evidenced by its $1.2 billion acquisition by Amazon in 2009. Take, for instance, Hsieh’s Core Value #9 from his book: “Be like MacGyver & Bruce Lee. Do more with less, be creative and adventurous, and fluid like water.” That translates directly into the workspace design. “Our campus isn’t flashy or audacious. We just get stuff done,” Tomm says. “From a design standpoint, we tried to keep the startup feel in a company that’s now 14 years old. There’s something liberating and free about that.”

One of the big-name designers who bid on the headquarters campus project learned that the hard way. “We had these world-famous architects and we had to boot them,” Tomm says, declining to name the firm. “They just wanted to design for design sake; they wouldn’t listen to our needs, they wouldn’t try to understand who we are.” The firm never made it past the renderings phase. (Instead, KMD Architects won the work.)

The result: what Tomm calls “a functional, efficient, high-performance” space. Employees—from HR to finance—get about 70 square feet. All desks are movable, with Internet and power cables hung from the unfinished ceilings, allowing employees to set the configuration that best suits their needs. A team wants to face East or sit in a rectangle? No problem. In addition, there are no garbage cans at desks (that would require thousands of garbage and recycling receptacles), but communal bins at the ends of rows of desks.

The group trash bins also reflect one of CEO Hsieh’s core maxims: He loves chance collisions of employees, allowing them to interact in ways they might not have otherwise. Need to recycle a soda bottle? Get up, walk to the bin and you just might engage with someone else while you’re up and about.

That same theory of chance collisions triggered design decisions about how employees get from place to place. Only a single pathway leads to the company cafeteria (a former city-owned library on
Two trends are among the most significant shaking up workplace design. A newly mobile workforce spends less time than ever at the office. Meanwhile, real estate costs are pressuring businesses to squeeze individual workspaces.

To Manpower Group, that made a compelling case to move its staff to downtown Milwaukee from more sprawling suburban space—without guilt. Manpower, which over 60 years has expanded far beyond its old role of temporary staffing, advises clients on global talent strategy. In designing its new space, it applied some of that advice to itself. The company consulted closely with its employees about what they wanted, and then delivered on the promises it could, while eliminating expensive, rarely used offices. The result was a brightened space, an energized workforce and new engagement with its community. It also slashed energy costs by 25 percent in the new LEED Gold certified building.

“We had to explain to people we spent less money on real estate,” says Mara Swan, executive vice president of global strategy and talent, “because it looks like Versailles compared to where we were.”

Though larger, Manpower’s former suburban quarters, she said, were “dark and dank,” with duct tape patching tears in the carpet. One building sat in the shadow of a highway overpass. So, six years ago, when a half-developed riverfront space in downtown Milwaukee became available, the company launched a process of rethinking its brand and how it presented itself.

First, Manpower involved all levels of employees in “vision-setting” activities with Milwaukee firm Kahler Slater, which oversaw the design process. How did

Aim small without guilt: Manpower

Two trends are among the most significant shaking up workplace design. A newly mobile workforce spends less time than ever at the office. Meanwhile, real estate costs are pressuring businesses to squeeze individual workspaces.

To Manpower Group, that made a compelling case to move its staff to downtown Milwaukee from more sprawling suburban space—without guilt. Manpower, which over 60 years has expanded far beyond its old role of temporary staffing, advises clients on global talent strategy. In designing its new space, it applied some of that advice to itself. The company consulted closely with its employees about what they wanted, and then delivered on the promises it could, while eliminating expensive, rarely used offices. The result was a brightened space, an energized workforce and new engagement with its community. It also slashed energy costs by 25 percent in the new LEED Gold certified building.

“We had to explain to people we spent less money on real estate,” says Mara Swan, executive vice president of global strategy and talent, “because it looks like Versailles compared to where we were.”

Though larger, Manpower’s former suburban quarters, she said, were “dark and dank,” with duct tape patching tears in the carpet. One building sat in the shadow of a highway overpass. So, six years ago, when a half-developed riverfront space in downtown Milwaukee became available, the company launched a process of rethinking its brand and how it presented itself.

First, Manpower involved all levels of employees in “vision-setting” activities with Milwaukee firm Kahler Slater, which oversaw the design process. How did
they work? What did they need? To quell concerns about the suburban to urban shift, Manpower executives took pains to promise free downtown parking, a subsidized cafeteria, showers for bikers and a building that would reflect their global culture.

Today, employees approach the new building across a pavilion flying 87 international flags waving in the breezes of the Milwaukee River. Each represents a country where Manpower has offices, conveying a message of welcome to overseas managers and its pride as a global citizen.

“We are an open company and a global company,” says CEO Jeff Joerres, noting that 90 percent of its business is outside the U.S. “We want our headquarters to reflect that.”

The four-story building not only communicates employee pride, but has helped anchor a re-energizing downtown neighborhood. A chic Aloft Hotel recently opened nearby, and condos are under construction. Five bus stops are within a block or two.

Community events happen nearly every day in its two-story atrium lobby, flooded with light and an imposing staircase. Swan, who oversaw the design, resisted strong colors, leaning toward subtle shades of sunlit beige: “I didn’t want anything ‘clownish,’” she says. “We wanted it to be warm, welcoming and contemporary.” Most of the simple decor pulls in company photos and slogans, as well as the work of young Milwaukee students and artists. Modern, artichoke-shaped pendant lights hang stylishly.

Swan used the occasion of the move to tackle Manpower’s “packrat” culture that preceded the digital age. As employees heaved out years of accumulated office debris for the move, she gave awards for the goofiest corporate artifacts. The best of that history is now displayed, including a 45-rpm record of Steve Lawrence’s “The Girl in the White Gloves,” a tune about temp secretaries.

But leaving behind private offices for open spaces required adjustment. Swan resisted particular pleas from the legal and HR departments for walls and locked doors. “I said, no, being open is good for everyone,” she says. The compromise: a tall row of file cabinets separating the group from the rest of the floor. So far, it’s working, she says.

The pushback was far exceeded by new opportunities. For instance, three divisions—technology staffing, consulting and temporary staffing—can work together easily for the first time. They’d never been in the same building previously. In another area, about 80 people troll for recruits in call center cubes, in a bright expanse filled with natural light and individual temperature controls. It’s a far cry from the group’s previous dark offices located under the elevated highway.

As importantly, the reduced size and open floor plan reflect the results of company surveys, which revealed that most employees were out of their offices more than half the time dealing with clients. The design also created some 53 varied conference rooms and seating areas for employee and client meetings on site.

Ironically, having left the dim suburban workspaces behind, some employees, including CEO Joerres, are dealing with an overabundance of light, and are experimenting with various blinds and shades. Swan thinks it’s a good problem to have. “Maybe,” she jokes, “we’ll get everybody sunglasses.”
Reed Agnew was getting tired of scribbling “SAVE” all over his office walls.

His Pittsburgh company, ThoughtForm, worked in fun, funky office space—a former Clark Bar candy factory turned industrial loft, with exposed brick and timber, trusses with suspended light and cables. The 1990s space, says Agnew, a co-founder, “was way ahead of its time.”

But only in appearance. ThoughtForm is the quintessential knowledge business—the company makes complex communications visible and understandable. It creates “way-finding” systems for hospitals, for instance, or kiosks that display touch-video information at museums. As Agnew puts it, “Our product is information.”

Its Clark Bar offices, however, weren’t keeping pace with technology changes. Each project lived in its own room, a mishmash of models and drawing boards stuck to walls. Over time, client work increasingly migrated to computer screens. More and more, ThoughtForm’s roughly 70 employees were dealing with clients via video. Cables were strung everywhere. And their loft didn’t support mobile computing well. “We were fighting our space,” says Agnew.

Like most businesses, ThoughtForm was adjusting to a newly untethered workforce, and its design had to reflect that. How did they move abstract visual information around—every doodle and Post-it—so others could see it, critique it and brainstorm? Laptops solved a few problems, but introduced others. “With computers, it was harder and harder to keep our work out, and see the thinking behind it,” says Agnew.
When Agnew heard about a new building going up on the Monongahela River, the site of a former steel mill, he jumped at it, and began working with Chicago design firm Archideas. They were developing a Community Based Planning process, a new way to involve workers in the gritty details of planning their own workspace. ThoughtForm volunteered to be the guinea pig.

Archideas designers moved in and began using techniques of social anthropologists—tracking where people sat and for how long, what they did and said. They took note of work blockages lost in the day-to-day shuffle. Whenever a ThoughtForm employee wrote “SAVE” on a giant whiteboard in a room, that effectively meant no other project could launch there. On-the-fly meetings happened at odd spaces, and would send someone running for tools. Piles of paper were taking over. Workers might spend all day in “team rooms,” but the venues were isolated, closed to daylight.

In a knowledge business, those bottlenecks and dim rooms are meaningful. Does the client get the work later? Is it a tad less inspired? From those large and small observations a new design emerged, and today it’s a mash-up of the best of the digital and analog ages, while mobile in every sense.

Elevators open on to “the square,” a commons area with casual lounge seating, tables and stools, drinks and bar space, facing an outdoor balcony for working or parties with clients. Curvy white sound baffles hang elegantly from the soaring, open ceiling, like waves from the nearby river. When needed, a giant video screen descends from the rafters.

A recent walk-through reveals employees writing ideas on a whiteboard in one conference room, its glass wall opened to daylight. In another space, a young man and woman intently interact with a video conference. They turn down the sound and drag a mobile wall behind them when they see they are too loud. Down a central, open corridor, new workstations take up half the space of old ones. For casual standing meetings, tall work tables, packed with papers, pens and whiteboards, are dotted through the space. Soft cork floors absorb sound. Wireless extends to the outdoor spaces. And another option, red “Powerballs,” the size of grapefruit, hang from the ceiling throughout the space, allowing connections for power, ethernet, video and sound from any single location. Designed by ThoughtForm in 2003, the Powerballs are less critical in the wireless age—but still handy for projects dealing with huge, bandwidth-draining data, and another way to be mobile.

But for all the technology, ThoughtForm designers still scribble their ideas by hand, so sometimes only old-fashioned whiteboards and tackboards will do. Whiteboards are now mobile, resting in narrow trays attached to the wall. Designers can move the boards filled with works-in-progress from room to room as necessary, placing them on the trays.

Says Agnew, with a sense of relief, “We don’t have to write “SAVE” all over them any more.”
Quick, name the world’s most valuable corporate icon. If you said Coke, you’d be in agreement with Interbrand, which pegs the soft drink’s brand at a remarkable $78 billion. That’s a blessing, of course, for The Coca-Cola Company, since the average human on this planet guzzles a Coke product every four days.

But for years that size and legacy actually hampered the corporation’s ability to refresh its own headquarters. Oh sure, there was the occasional cosmetic change or security-minded tweak, but the company’s sheer size and desire to protect its brand-focused culture kept the 30-acre downtown Atlanta campus essentially intact.

The Workplace 2020, a massive project to instill Coke’s facility with a sense of optimism matching what consumers feel when they see the brand’s polar bears or hilltop singers. That may all sound touchy-feely, but this project is far from a feel-good exercise; the goal is to increase brand value, grow product lines faster and boost the bottom line. After all, Coca-Cola is not an enterprise that haphazardly stumbled into building 15 brands with annual sales of more than $1 billion each.

The Workplace 2020 team recognized that aligning with Coke’s culture couldn’t be compromised. “There’s no goal of being on a magazine cover,” says director Julie Seitz. “We could go copy Google.
or Nike and have a great work space, but that’s not who we are. We have to create a great Coca-Cola work space.”

That corporate intentionality is reflected in Coke’s sense that the war for talent gets harder going forward. “I don’t think you get a brilliant kid coming out of college saying ‘I want to work in this,’” says Seitz, gesturing toward the bland rows of cubicles outside her office. “Over the next 10 years, all companies will start to feel the pinch of the smartest people saying, ‘Why should I choose them as an employer?’ So we want to be able to help people be their best, do their best, be more creative and innovative.”

As the company began to explore the revamp—with help from Ideo and Gensler—the terminology Coke uses in its product-branding vision came bubbling back up: optimism, modernity, connection. Senior officials, including CEO Muhtar Kent, quickly realized this project couldn’t be about new carpet and fresh paint, but a need to reinvigorate the campus.

For the past two years, the Workplace 2020 team aimed for “quick wins.” In one of about 30 tests, the project team snared some tables and chairs from a campus warehouse and began scattering them in open hallways and lobby spaces; next, they placed a few picnic tables in grassy courtyards. Then they sat back to watch what happened. Sure enough, even with unremarkable furnishings, staffers began holding impromptu meetings at the spaces, using the areas like a coffee-shop “third space.” Employees began eating less at their desks.

Tests continued. Afternoon pizza was offered, power outlets added, a mailing machine booted up for personal packages, all in centralized spaces where people could see and be seen. The team studied, learned, tweaked.

Now, the first major project is underway—and it’s a game-changers for the campus. Called Main Street, the undertaking will thoroughly revamp the first floor of all six buildings, including outdoor spaces. The result: A ribbon of connected spaces featuring employee amenities, from six ethnically themed dining areas to the credit union to the main theater to the Coca-Cola retail store. The goal is to mimic Main Street, America, where banks, shops and restaurants draw walkers into interactions.

“It would have been easier to renovate the cafeteria,” says Seitz, speaking about the second-largest commercial kitchen in the state of Georgia, after the federal penitentiary. “It would have been easier to renovate the auditorium. We could have done this far easier and quicker. But this way, we can connect all of it together and connect it to the outside. Now, our people will be able to take a moment to reenergize, and that’s a big part of bringing our brand to life right here in our own space.”
Ask and you’ll learn:
Red Hat

From a business perspective, Red Hat might be one of Corporate America’s more intriguing hybrids. The company was created on the concept of “open source” computer programs—translation: giveaway—but it raked in over $1.5 billion of revenue last year from customers including Amazon, the New York Stock Exchange and Dell. It positions itself as a hip tech company, but its gleaming new Raleigh, N.C., headquarters sits more than 2,800 miles from Palo Alto. And don’t bother looking for a bunch of under-the-desk-sleeping post-collegiates at this tech company; Red Hat’s team is largely an Oxford shirt and khakis crowd.

That hybrid nature is in part what helps the company flourish—it lives an open source, somewhat renegade life but then wraps that up in a package you could comfortably bring home to Mom.

The key: an open system of idea-sharing that influences everything from new product releases to the design of 85 Red Hat offices in 35 countries around the world. For a workforce with an average age of 29, that ability to have a voice is a critical draw; one that allows Red Hat to compete hard for talent with the likes of Google or Amazon.

“We have a saying here: The best idea wins,” says Craig Youst, senior director of Global Workplace Solutions, who led the headquarters design project. “Often, one person has a small idea that another person builds on and another person builds on again. We like change, we like to continuously evolve.” For Sheri Ginett, managing director at IA Interior Architects, that translated into a way of thinking about the Raleigh tower project. “The workspace is the embodiment of that continuous change.”

After the Main Street project, Workplace 2020 will tackle the two million square feet of interior office space, department by department, floor by floor, tower by tower. Office areas will transform with lowered desk dividers, fewer private offices, more sunlight and additional spaces for eye-to-eye contact. Break areas featuring free beverages will move from the back corners to central spaces.

The overarching goal: to allow employees to bring their best to the campus. “In the corporate workplace, we often don’t think about how the brand comes alive,” Seitz explains. “So companies often end up with Dilbertville, where every office tower feels like an insurance company.”

As Workplace 2020 nears completion in five years, the feel inside the campus will match the joyous Coke brand messaging outside, Seitz believes. “This will help create a more empowered feeling in our people, really cause people to see things differently.”
Before any significant design work began, the team set up a House of Representatives model in which each department sent Red Hatters to express their work-space desires. What spirit, feel, core values, amenities? What to keep, toss or change entirely from the previous work space?

The process was, in many ways, classic open-source. Of the 100 or so people who attended the first meeting with IA, “probably 95 had an opinion—and they were telling us!” laughs Julio Braga, IA principal. Those representatives not only offered their views, but also returned back with additional questions and perspectives to their constituents.

The give-and-take was repeated numerous times. “We’ll never have 100 percent consensus on anything but we give everyone a chance to express their opinion,” Red Hat’s Youst says. “You won’t always get what you want and we can handle that in our culture. We’ve made a tremendous effort to take the loudest voice out of the room, where title and experience don’t matter. Instead, we build off each other’s ideas, creating a democratic buy-in process that has associates engaged from early on.”

As the peer-to-peer process continued, it helped winnow the list of flashy amenities to the top five. Employees got much of what they wanted—outdoor space, ping-pong and foosball tables, high-quality fitness centers. And they collectively decided to discard the wine bar, beer garden, steam room and climbing wall, among others. (In the end, designers went beyond the top five, creating community pantry spaces with free drinks and snacks in each floor’s break room, for instance.)

The resulting design reflects Red Hat’s tech roots: a clean, beautifully lit collaborative work-place with a vast range of single-person and multi-person gathering rooms frequently named after favorite board games like Twister and Battleship. “The entire floor is really your office space,” Ginett explains. Common areas on Floors 8 to 10 are high-energy spots to meet, eat, work out or gather on the patio. A white-on-white wall quote near the cafeteria entrance again echoes Red Hat’s open-source culture: “First they ignore you. Then...
Quicken Loans has perched near the top of every “best place to work” list for years. It consistently wins J.D. Power awards for customer service. It’s profitable and expanding.

Meanwhile, razor scooters glide through its call center modeled after PacMan. Fake chocolate drips from a breakroom ceiling. Plans are afoot for a two-story robot leg.

Coincidence? Well, no. Detroit-based Quicken proves that workplace design can help render an unremarkable product—mortgages—into something glam enough to attract the best young talent to its production-obsessed culture. In short, Quicken leverages design for maximum bottom-line results.

The guru behind Quicken’s eye-popping workplaces is Melissa Price. A mid-30s former IT administrative assistant, she’s unpretentious in her approach. Her view: Every surface, chair and light fixture should make it easier for someone to do his job. Then heap on healthy doses of fun and crazy.

Price stumbled into facilities management when a colleague was fired for embezzlement. “I had no experience in design, so I asked a bazillion questions,” she recalls. As she polled employees, she found that—being humans—they craved variety, daylight, good food, comfortable chairs. It was an important revelation. “Our surveys found that if you give employees what they actually want, you can use less space,” she says. Smaller personal...
desk space is OK — if you make room for fun and variety. And lower real estate costs result.

Price’s first big project was overseeing a move from the suburbs to downtown Motown. She created mock-ups, took votes, put chairs “into the wild” so people could try them and voice an opinion. “We generally over-communicate,” she says. Quicken added amenities like subsidized day care, gyms and cafeterias with gas fireplaces amid the move.

As they expanded into the old, long-vacant towers, Price’s team riffed off the building origins at every chance. When they unearthed weird industrial garbage in the basement of one building, they turned it into art installations. They added graffiti by local artists. When they found a giant vault located in a former Dime Bank basement, Price’s crew transformed it into a spooky gothic conference room where Morticia Addams might preside. Its sister vault, also a conference room, sits opposite, outfitted in sleek, gleaming space-age white. Daylight streams into the underground space from sidewalks made into skylights.

Nearly all of the roughly 9,000 employees downtown work in open areas. Quicken has just 120 private offices, mostly for legal and HR. CEO Dan Gilbert’s digs are just 10 feet by 20 feet.

Every space commands Price’s energy. Take a basement document room, an area few companies bother to notice, but which is critical to Quicken’s 10 daily UPS pickups. Glowing neon tubes thread through the beams and columns of the loading dock, bestowing a weird gleam. Those touches make the practicality less obvious, even though, she says, “Function is always the first thing we think about.” It shows in the document room floors — a jarring mix of concrete and tile. But it’s cheap because it was already there, it can withstand the heavy carts of documents and feels steampunk modern with the neon tubes.

Another challenging space: a call center. On the fifth floor of a former Chase building, in a large room lined with windows and old video game designs, a packed floor buzzes with the intensity of 300 mortgage bankers talking through deals. Each works at a sit-to-stand desk. Some prowl the aisles, gesturing into the air as they talk into headsets, while large TV screens above show a football game in progress on one display and track call center productivity on another. Applause breaks out as a team hits a target.

Executives interview potential employees in glassed-in offices on this floor, says Price, “so people know what the place is really like.” Her “facilities first” view mandates the twice-weekly “walk around,” in which someone from her group walks every square foot of the Quicken properties with an iPad, noting which desks are vacant,
The Business and Institutional Furniture Manufacturers Association (BIFMA) sponsors the development and refining of standards, educates on their importance and application, and translates their necessary complexity into more easily understood and implemented formats. We promote sustainability throughout the life cycle of commercial furniture. We offer statistical and educational resources to our members and the public and reach out to regulators, consumers, and international partners to foster value and innovation.

The International Interior Design Association (IIDA) is the association for the Commercial Interior Design professional. We support the profession, industry affiliates, educators, students, firms and their clients through our global network of 13,000+ members across 50 countries. We advocate for advancements in education, design excellence, legislation, accreditation, leadership, and community outreach to increase the value and understanding of Interior Design as a profession that enhances business value and positively impacts the health and well-being of people’s lives every day.

About The Team

Co-author Kevin Salwen was a reporter and editor at The Wall Street Journal for 18 years, culminating in his role as National Small Business Editor. After leaving the paper, Kevin created two media companies and been the small-business expert for Yahoo! He is the co-author (with daughter, Hannah) of a family memoir, The Power of Half: One Family’s Decision to Stop Taking and Start Giving Back.

Co-author Paulette Thomas is an award-winning journalist with marketing and consulting experience at the highest corporate levels. She was a writer, editor and columnist at The Wall Street Journal for 20 years, where she was twice a Pulitzer Prize nominee, covering economic policy, entrepreneurship and other areas from Washington, Houston and Pittsburgh.

Editor Martin Flaherty is the founder of Pencilbox Inc., which since 1999 has worked on branding, marketing and corporate communications strategies for Aflac, General Motors, Interface and the USGBC, among others. Martin’s work includes the development of the brand and communications strategy for the level sustainability standard for the commercial furniture industry.

which cubes require new keyboards and other facilities data.

The granular knowledge paid off big last year when a downtown site where 1,000 call center team members work lost power at 2 a.m. By 4:30 a.m. the facilities team was on the scene, reviewing its data of vacant work spaces outfitted with the necessary printers and equipment. When employees arrived, Price and her crew began assigning them to the temporary spaces in the other buildings, slotting them in from the top, like a giant game of Tetris. By 9 a.m., everyone had a desk and was working. Price passed out doughnuts to her crew and surveyed the scene with satisfaction. “We made it fun.”

Price recently gathered with colleagues in the stark white bank vault to discuss plans for a new tech building. The showstopper is a two-story Transformer robot leg that will appear to be bursting through a lobby wall. And if that choice goes too far? “Whatever doesn’t work, we change,” she shrugs.