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Henkel's Innovation Center: Aligning Workplace Strategy across International Borders

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Technology has accelerated the increased globalization of business, providing both opportunities and challenges. Aligning workplace strategies across different countries and cultures can be a complex process, and the importance of successfully integrating an organization's workplace is paramount.

Three key elements of successful implementation of this process include:

- Integration of corporate culture
- Development and execution of corporate standards
- Effective change management

Integration of Corporate Culture

MIT Professor Edgar Schein first defined corporate culture in his 1992 book *Organizational Culture and Leadership*. Using his definition, organizational culture is a philosophy that guides a company's strategy, work force behavior and management attitudes.

One of the most important aspects of aligning the workplace is leveraging corporate culture to connect employees with the vision and values of the company. The workplace's physical environment should encourage business components while presenting a unified design. This approach results in a clear image of the brand to employees, customers and vendors.

Development and Execution of Corporate Standards

Corporate design standards provide a roadmap for offices located in different cities, states or countries. Benefits to developing corporate standards include economic savings, increased operational efficiencies and improved consistency of brand and culture throughout the organization.

That being said, executing corporate standards across different countries poses some challenges. Often, slight modifications to the standards will make the

space work better for certain cultures. Implementation of corporate standards that allow for modest flexibility is the most effective approach when executing standards across international borders.

Effective Change Management

Change in the physical workplace environment can be disruptive and unsettling for employees if they don't understand the reasons and benefits of the change. Effective change management involves early communication of information and expectations to alleviate fear and misperceptions. A successful change management program engages employees in the process, listening to their concerns and integrating their suggestions when appropriate, to increase buy-in and support for the change.

Case Study – Henkel Innovation Center

At the CoreNet Global Paris Summit in September 2011, Ware Malcomb and



Henkel presented a case study on the Henkel Innovation Center, demonstrating aligning workplace strategies across international borders.

Founded in 1876, Henkel operates worldwide with leading brands and technologies in laundry/home care, cosmetics/toiletries and adhesive technologies. Headquartered in Düsseldorf, Germany, Henkel has 48,000 employees worldwide and is identified among the most internationally aligned German-based companies in the global marketplace.

Henkel's Innovation Center is a high-profile facility in the U.S. The project consisted of consolidating three Henkel North American Electronics Division facilities into one new location in Irvine, Calif. Ware Malcomb provided interior architecture, interior design and graphic design services for the three-story, 75,500-sq.-ft. (7,014-sq.m.) facility consisting of 50,000 square feet (4,645 square meters) of office, 25,000 square feet (2,323 square meters) of laboratory space and a new mechanical yard.

Using the Henkel Innovation Center as an example, we will illustrate these three trends in action.

Corporate Culture

Henkel's workplace concepts were based on overall company values focused on customers, people, sustainability, financials and family. Other key themes included productivity, innovation, consolidation and collaboration. Each of these values and themes were important drivers in decisions related to building selection, furniture and internal communication.

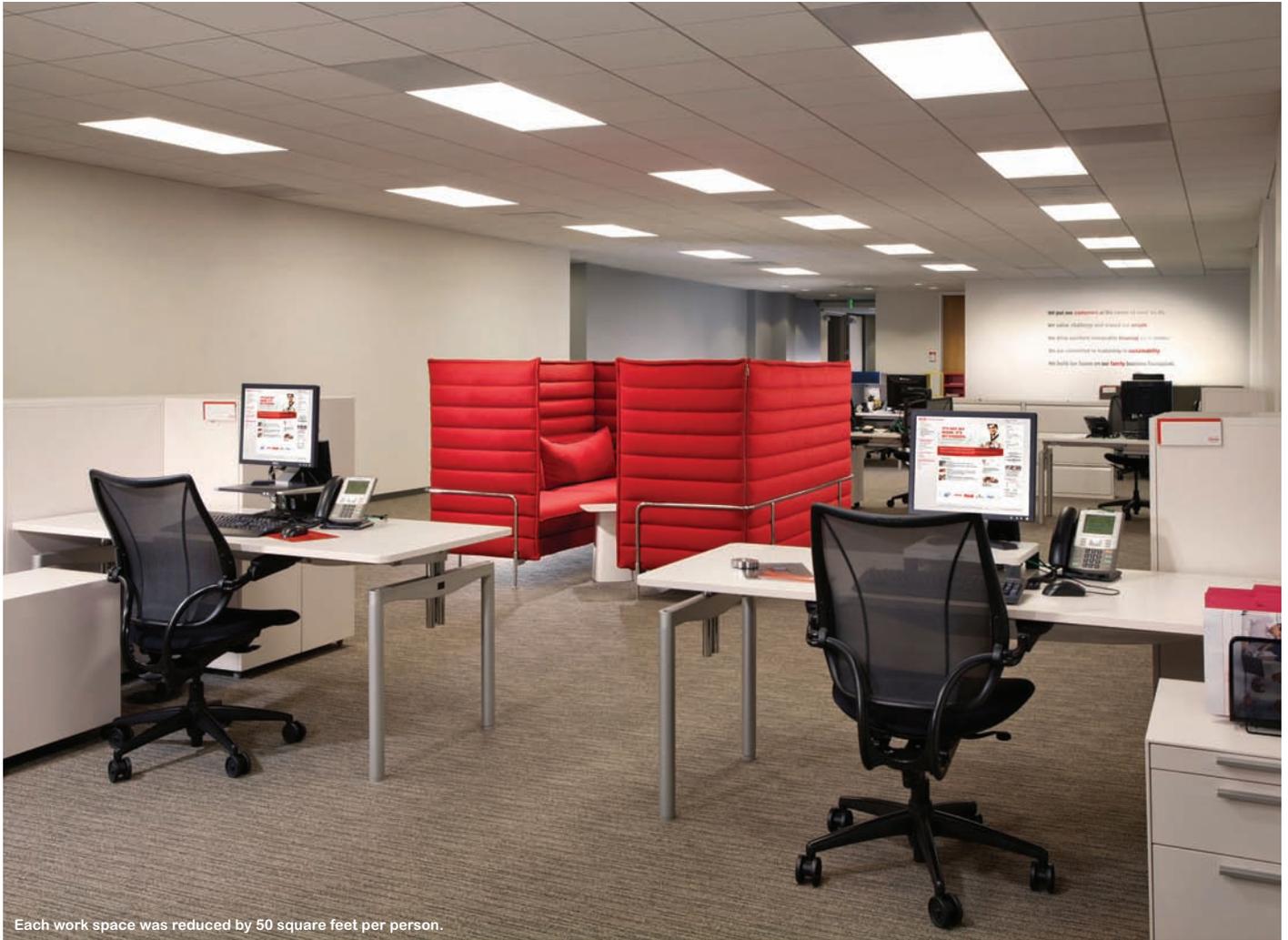
The design team worked with Henkel to fuse the global corporate culture with the unique cultures of the three consolidating facilities. Local stakeholders helped define the ideal office environment, representing a combination of Henkel's European heritage with their vision for the Innovation Center.

Collaboration. Henkel wanted the Innovation Center to promote teamwork, interaction and employee collaboration. This was achieved by increasing the square footage allotted to conferencing and meeting areas, strategically incorporating areas where employees would meet and interact. Collaborative spaces are noisier than the open-office environment, so locations buffered from personal workspace

were strategically selected. Creating more space for teamwork and less space for individual work areas helps facilitate an environment of collaboration.

Daylighting. An important feature influencing the selection of the building was its ability to maximize daylighting. Defined by the National Institute of Building Sciences as "...the controlled admission of natural light – direct sunlight and diffuse skylight – into a building to reduce electric lighting and save energy," daylighting provides a more productive and inviting environment for employees, while reducing as much as a third of total building energy costs (Source: wbdg.org, 08.29.11).

Branded environment. Henkel elected to utilize branded graphics throughout its space to communicate the company's culture and mission while reinforcing the brand and aspects of the Innovation Center to occupants and guests. Branded graphic design concepts and placement complemented Henkel's facility tour path and interior architecture solutions, visually communicating the breadth and strength of the company while highlighting the importance of the electronics division. Ware Malcomb's graphic design



Each work space was reduced by 50 square feet per person.



Innovation Center's break room

studio coordinated with Henkel's marketing, communications and graphic service departments to develop the messaging and graphics implemented throughout the space.

Global Standards

Henkel's global workplace standards were well thought out and flexible. The new Innovation Center was the first U.S. location to incorporate the standards, which included:

- Significant daylighting to all areas of the building, including the lab spaces
- Ergonomic solutions, including height-adjustable desk systems
- Open work environment without cubicles
- A well-organized space allowing for future flexibility
- Graphic standards to help reinforce the brand look and feel

Ware Malcomb helped modify Henkel's international signage standards to develop an exterior and interior signage program specifically for this facility, accommodating its needs and compliance with local signage codes.

Change Management

Addressing the cultural expectations of the U.S. work force prior to move in was highly important. Henkel made an effort to communicate with employees early in the process, explaining the alternative workplace strategies being implemented and potential challenges to expect with the new office layout.

Specific change management strategies and techniques included:

- Video conference calls with the project team to convey the workplace standards Henkel desired for the Innovation Center
- Ongoing dialog about the European standards, considering what challenges would be faced rolling this out in the U.S.
- Strategies to assist user groups in setting expectations regarding their new space, how it would reflect the brand and why it was superior to their previous space
- Early agreement on minor modifications to Henkel's global standards to achieve a design that complemented American culture
- Collaboration with the local marketing team to design brand-enhanced graphics that connected the global Henkel brand, while illustrating product reach for visitors
- Sharing of the design of the space with the local team prior to move in, explaining how the facility would function and what their respective areas would look like

Changes Implemented

Henkel reduced the footprint for each workspace from 225 square feet/per person (21 square meters) to 175 square feet/per person (16 square meters).

Throughout the office area, open workstations with acoustic front screens were installed. Transitioning from 65-in.-high panel stations to open workstations, co-workers began engaging each other more often in problem solving and collaborative solutions. A free address desk sys-

tem replaced assigned office cubicles for employees who spend significant time in the lab area, which had resulted in a considerable amount of unused desk space in previous facilities.

Lessons Learned

When considering alternative workspace standards, have dialog early and often to ensure everyone understands the benefits of the new standard. It is especially important to engage the leadership of the end user.

1. It is not a one-size-fits-all approach; the space must enhance the business environment. Share this with the user groups to help them understand that this is not just another corporate mandate.
2. Start with some form of measurement of the existing environment. Without benchmarks, it is difficult to measure results. Develop an understanding with the corporate and local leaders of success metrics.
3. Spend time understanding the cultural needs and issues of the occupants to help craft a meaningful change-man-

agement program. Change management should start early and be woven into the beginning stages of programming. The sooner seeds can be planted to explain why the new standard is needed and what the benefits are, the better the end result.

Understanding and translating corporate culture through workplace design creates a consistent, clear brand image for employees, clients and other guests. Implementing corporate standards, while being sensitive to cultural and local variances, delivers a consistent experience across offices with the added value of economic efficiencies. Most importantly, when your new workplace involves significant change, developing a proactive change management program is a valuable and necessary investment to ensure successful transition.

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