

CORPORATE REAL ESTATE

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## **Carl Nedderman & the Whirlpool Team Elevating Real Estate as a Strategic Resource**

***Sun Microsystems' Rules of Engagement***

***Business Unit Partnerships at GE***

***Developing International Workspaces***

  
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Empowering Corporate Real Estate  
and Workplace Executives



## Beyond the Border

### Build for the Culture

By Dean Barone

**M**ultinational companies continue to expand their operations worldwide. In the process they are often operating in cultures and regions where they have little to no previous footprint. From creating work environments that support new initiatives to reducing operational costs, leading companies are expanding for numerous reasons. The trend has been in motion for years as organizations explore new avenues for innovation and increased profits. After several years of trial and error corporate real estate

executives and consultants have a clearer sense of how to manage and maximize the outcome of these projects. As companies calculate the ROI of their expansion strategies, it's often the less tangible aspects of the region that figure in the most profoundly.

It might be easy to assume strategies and tactics translate from Latin America to India to the Far East – add water and you've completed the assigned mission. While employing technology to coordinate projects, and learning



Photo courtesy of Adphoto-Philippines

To a Westerner, this work space in the Philippines may be slightly too open with colors that are too vibrant for a normal corporate work environment. But, the work force inhabiting this space does not feel displaced or in a foreign environment.



Photo courtesy of Adphara-Philippines

Red and yellow accent colors in this space, which are predominant in the Asian culture, are also indirectly tied to the oil and gas company's corporate branding.

how to more efficiently leverage local contractors requires methodical implementation and strategic planning, understanding and respecting the dynamics, boundaries and motivations of each culture can often contribute substantially to success.

Beyond India and China, other destinations in Asia are increasingly important locations for leading multinationals. However, as corporations venture into new undertakings and stretch out across the globe, regions with far less Western influence are increasingly taking center stage. While there is no doubt all international cities have a foundation of international business spurring prosperity and growth, the cross-cultural interaction is often only on the surface.

### Rule Number 1:

**Just because there's a McDonald's in Makati, Doesn't Mean It Serves Hamburgers**

Our role in international projects is multifaceted and includes managing projects remotely, serving as project manager, and addressing all design-development functions,

with a real estate advisor internal to the company on the ground. Working in conjunction with a leading oil and gas company, we recently completed a series of business operation centers in Makati City, Philippines — it marked the company's first entrance into the region. The company sought to attract and retain a highly professional Asian work force. The underlying mission was to create a center that generated increased operational efficiency for the company and leveraged its human resource assets.

During the pre-development stage initial time-lines should be aligned and the scope of the project solidified. Once the process is outlined, and the analysis completed, the next step is getting on the ground and scouting for sites, partners, and local resources.

The plane hits the runway and there is much work ahead. The intangibles of motivation, cultural and environmental norms, colors, styles — all become important during planning a new facility. Once the jet lag lessens, observation can tell you what your foreign hosts cannot — just what is their comfort-zone. A downtown Houston facility and an uptown Makati City facility do have elements in common, but it's not one-size-fits-all. Time spent on the ground, even if it's a week, can be used to absorb cultural cues that

will help to forward the completion of the project. And the company's presence, the way it represents itself in a new region, will ultimately determine if it can integrate into its new environment.

### Rule Number 2:

#### Location, Location, Location Is an International Concept

Site evaluation, regardless of whether its Detroit, Quebec or Makati, is critical. All space solutions have to align with both the corporate objectives, and attract the types of workers the company is seeking to employ. In the Philippines, the focus was on finding a pre-existing professional building that fit with the image of a multinational and was also a prime location for locals. Reviewing several options, we decided on the RCBC Plaza, the largest and most modern office development in the Philippines. It combined all the key amenities; including vicinity to lodging, restaurants, adequate parking, and it was centrally located for commuters.

With recent political instability, security was critical to the selection process. Entrances manned with security guards, surveillance and other measures are often a necessity in less developed regions of the world — to an extent that far exceeds the typical office building in the U.S. The ability to expand operations and have options for reducing space is also critical to the bottom-line of the overall project. Whenever a corporation enters a new region foreign to its operations, it's undertaking a certain amount of risk, thus, there has to be options for the best case scenario and the worst possible outcome.

### Rule Number 3:

#### Why Sleep When You Can Communicate?

To manage any large-scale, fast-paced project, technology and strong project management is key. The 12-hour time difference only makes planning more necessary — (and not because you can work efficiently enough to get home at 6 PM central time, that's not going to happen). With the site selected, the time-line, deliverables and scope should be finalized and mapped. Securing local IT support is crucial to setting up the necessary systems. To maximize efficiency and communications, a basic software collaboration tool should be employed to enable the team, on their various sides of the ocean, to track and input the status of deliverables.

To expedite the project schedule, the design-bid-build method can be bypassed. Local design firms can be qualified via pre-packaged RFI / RFP packages using a basic intranet site. Once local contractors and vendors have been properly screened, the RFP's can be issued. To follow is online bidding of contractors. Faster than Ebay, companies bid and are ranked. The process is repeated until the winner becomes clear. Online bidding for services is far more common in Asia than in the U.S. While it can have disadvantages, it's efficient and a widely accepted form of determining who wins project bids.

As the design-development firm, accurate construction documents are a must — painstakingly accurate. The fewer change orders, the less additional expense is incurred. While critical in any project, precision transcends cultural barriers, especially when face-to-face discussions are very limited.

Once contractors, vendors and other providers of services have been selected, the collaborative deliverable time-line is central for communicating progress. In the Philippines, we allowed access to an intranet enabling all team members to update a common grid. From Houston we could track each element of the project. To maintain communications we pre-scheduled weekly conference calls and daily e-mail updates. When an on-site manager had a question about the construction of a utility closet, for example, he snapped a picture on his digital cell phone camera and e-mailed it. Within moments we could determine there had been an error. Technology, even when you're half a planet away, can help catch mistakes and keep the project in-line.

### Rule Number 4:

#### Blending Form, Function and Culture

Central to the project was creating a highly efficient floor plan based on workplace strategy in concert with regional Asian furniture and materials. Due to cultural influences, these environments tend to be more open with less physical work space than U.S. environments. The project also incorporated numerous green building materials, a rarely employed strategy in the region. Green elements included the use of carpet incorporating the U.S. Green Seal Standard for content and low-emitting materials, energy efficient lighting, and furniture components that were manufactured to be recycled.

Many elements of the project, including furniture and fixtures, were imported from regional suppliers in China,



Korea and Japan. Custom modular walls were constructed locally to serve as vertical electrical and communications cable-ways and incorporated bamboo stalks molded in eco-friendly resin panels. The use of red and yellow accent colors, which are predominant in the Asian culture, and also indirectly tied to the oil and gas company's corporate branding image, were used to create a high-energy environment.

Upon completion, the project felt like a professional Asian office. While to a Westerner it may be slightly too open with colors that are too vibrant for a normal corporate work environment, the work force inhabiting the space does not feel displaced or in a foreign environment. Planning, organization and observation can combine to create an environment that works within the Asian framework. Building a space that people can work in is easy. When developing offices and facilities internationally, the space needs to align with the people, and the way they work, to achieve the real objective. **LEADER**

### *About the Author*



**Dean Barone**, IDSA, and LEED AP is President and Cofounder, Barone Design Group, a Houston-based architecture and interiors firm. Barone has been addressing leading corporations' most critical design and architecture needs for two decades. His diverse portfolio of clients includes leading corporations such as Amoco, Exxon, Hines, Landmark Graphics, Texaco, Shell and Veritas.