

# Making the case for the 'super nucleus': The next generation of corporate real estate, HR and IT enterprise integration

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## **ABSTRACT**

*In 2012, 70 corporate real estate (CRE) leaders representing a broad range of industries, geographies and functions made a number of startling predictions*

*that were documented in CoreNet Global's Corporate Real Estate 2020 research initiative. One of those predictions, affectionately known as the 'super nucleus', stirred a healthy debate among CRE, human resources (HR) and information technology (IT) professionals about one central question: What will high-performance organisations expect of enterprise support functions, and what are the implications for CRE? The term 'super nucleus' was coined to describe full integration and unified leadership at the most strategic levels of support function activity. The CoreNet Global study predicted that, by 2020, this strategic integration would be likely in addition to greater consolidation and more consistent sourcing of service delivery resources and expertise. Since the results of the study were published, CRE and other support function leaders have continued to explore the feasibility and justification for greater support function integration. Advocates of the super nucleus suggest that high-performance organisations will be (or are already) early adopters and explore new talent sources to fulfil the leadership void for the next generation of shared services organisations. Opponents of the super nucleus concept maintain that such an undertaking will be met with deeply entrenched organisational resistance or be too cumbersome to even attempt. The authors believe that high-performance organisations will overcome these challenges and adopt support services strategies that will improve overall corporate performance and productivity within the next decade and beyond. The competitive*

*pressures and dynamic nature of many industries will lead C-suite executives to demand more strategic alignment of corporate infrastructure resources with business units and the super nucleus very well could be the answer.*

**Keywords:** *super nucleus, support services integration, CRE, IT, HR, key support functions*

In today's increasingly dynamic and competitive business landscape, an ever-growing case is being made for greater integration of corporate support functions at both the tactical and strategic levels. In fact, the authors believe that greater integration not only will be desirable but very well may be required by high-performance organisations seeking a competitive edge. Almost one year ago, 70 corporate real estate (CRE) leaders representing a broad range of industries, geographies and functions made a number of startling predictions that were documented in CoreNet Global's *Corporate Real Estate 2020* research initiative.<sup>1</sup> One of those predictions, affectionately known as the 'super nucleus', stirred a healthy debate among CRE, human resources (HR) and information technology (IT) professionals about one central question: What will high-performance organisations expect of enterprise support functions, and what are the implications for CRE? The term 'super nucleus' was coined to describe full integration and unified leadership at the most strategic levels of support function activity. The CoreNet Global study predicted that, by 2020, this strategic integration would be likely in addition to greater consolidation and more consistent sourcing of service delivery resources and expertise.<sup>2</sup> A subset of the 70 participants — 13 CRE end users, service providers and research professionals — spent ten months studying this very question and interviewing university academics, consultants and end users from IT,

HR and CRE roles across the globe. They concluded, with broad support, that, by 2020, collaborating corporate support functions will form a new strategy-driven 'super nucleus' entity to enhance overall enterprise performance.

Since the release of CoreNet Global's *Partnering with Key Support Functions* research in May 2012,<sup>3</sup> the current authors (Craig Robinson was one of the original contributing authors to the CoreNet Global study) have continued to study and discuss this topic with leading corporations, and see compelling evidence that suggests more tightly integrated strategic leadership of support functions, in fact, may not have the luxury of another seven years to incubate.

## **MAKING THE CASE FOR INTEGRATION**

At the most basic level, every corporation is made up of three types of employee — the people who develop and produce the products that drive revenue for the corporation, the people who sell and market the products or deliver the services that the corporation sells and everyone else. While 'everyone else' may seem a rather nebulous categorisation, this grouping is predominantly made up of the support functions that are necessary to run a business, including but not limited to HR, finance, IT and CRE. These and other support functions are considered to be the backbone of most corporations because, without their support, the revenue-generating segments of the corporation simply could not function.

There are many diverse organisational structures for support functions that are employed across leading corporations. The CRE function often reports into the C-suite through the chief financial officer (CFO), chief administrative officer (CAO) or even HR. While those leaders may have accountability for other support functions as well,

each support group generally operates with some level of autonomy from the others. In other words, even though different disciplines (IT, risk, accounting, finance, communications etc) may be linked to the same C-suite executive, each support function strives to accomplish its goals within the confines of individual and unique mandates, reporting structures, technology systems, business unit (BU) alignment strategies and performance metrics. They each have their own professional organisations, commonly accepted best practices and points of view on the future of enterprise infrastructure. Some would argue that this structure has cultivated strong expertise and has served leading organisations well for decades. So, why fix what is not broken? But others feel differently. According to CoreNet Global's *Corporate Real Estate 2020* survey, nearly 60 per cent of respondents see a need for a more strategic and integrated collaboration of their support functions.<sup>4</sup> While Deloitte Consulting documented in a 2011 study that over 90 per cent of organisations had reported implementing some iteration of a shared services structure,<sup>5</sup> Accenture, in a separate study that same year, found that many organisations had failed to see significant contributions from these structures and more value could be unlocked.<sup>6</sup> This paper will build on the *Corporate Real Estate 2020* assessment and delve deeper into the topic of integration from the perspective of emerging trends in business and HR strategy. It will explore how corporations are looking to maximise productivity and creativity, optimise efficiency and create competitive advantage in an increasingly complex business landscape, and contemplate the implications for the CRE profession. Over the course of this dialogue, the authors attempt to answer a few key questions:

- What are some specific dimensions of 'strategy' where enhanced integration of support functions will deliver greater value to corporations?

- Why now and not in 2020 or beyond?
- Is there evidence to indicate, as many CoreNet Global members suggest, that the CRE profession is well positioned to assume broader leadership roles and take the helm of the super nucleus?

## WHERE STRATEGIC INTEGRATION CAN ADD VALUE

For a moment, imagine a fast-moving stagecoach pulled by four horses. The stagecoach driver, seeing a cliff ahead over the horizon, suddenly determines that the coach will have to make a hard right turn to avoid eminent destruction. Despite the skill and foresight of the driver, if even one of the horses fails to read and respond to the driver's commands, the results could be catastrophic for all on board. While a poorly aligned response from a support function (say CRE or IT) might not send a company over the cliff, the implications can be very serious for a company in the throes of a turnaround or a technology company competing to attract the best talent and develop the next, best killer app. The question is then: what type of driver is needed to make sure the stagecoach can make that sudden turn? Enter the super nucleus.

As part of CoreNet Global's *Corporate Real Estate 2020* research initiative,<sup>7</sup> the authors set out to explore the feasibility of their bold hypothesis. They believed — and still do — that by the year 2020 or before:

- collaborating corporate support functions will form a new strategy-driven 'super nucleus' entity to enhance overall enterprise performance;
- the need for new, integrated workplace leadership will emerge;
- unified metrics for legacy support functions will be established, making joint objectives clear and measurable; and
- the actual delivery of services would continue to be no less important.

These predictions may not seem far-fetched for many. During the formulation of the hypothesis, however, the authors were met with a fair amount of scepticism from a number of respected CRE industry giants. Most pointed to the deeply entrenched silos and cultural resistance these types of ideas would face. Others were concerned that this might be overkill for companies of a certain size (both big and small) or too difficult to implement across a global organisation. Perhaps this new department (role, function etc) could actually represent a step backwards — pointing to what could be a ‘central bureaucratic function’ struggling to keep up with the business. These concerns, each valid and worthy of further discussion, could be easily argued for any number of similar initiatives. Almost ten years ago, according to the Real Estate Executive Board,<sup>3</sup> approximately 50 per cent were completely or partially centralised, while today that figure is closer to 75 per cent. Many proponents of decentralisation argued against centralising the CRE function using similar arguments of bureaucracy, BU alignment etc. But, despite the organisational and cultural resistance towards CRE centralisation, most CRE functions today are partially or completely centralised. The driving forces for this trend are similar to

those outlined for the super nucleus: greater BU alignment, enhanced savings, strategic planning, stronger governance and leverage, to name just a few.

The authors’ research findings for the super nucleus — a non-technical term inspired by the parallels of corporate anatomy with the human body’s complex coordination of cellular activity (see Figure 1) — not only supported their hypothesis, but encouraged them to evangelise their claim with even greater vigour. Over the past ten months since their findings were published, a number of research team members have been invited to participate in conference panel discussions, numerous small and large group presentations and an article that was published in *Leader* magazine’s 2012 September/October edition.<sup>9</sup> Following are a couple of the more memorable quotes supporting the thesis from the earlier *Corporate Real Estate 2020* interviews:

‘This natural progression makes sense’, Jim Ware, former Harvard Business School Professor.

‘I think the idea is absolutely right ... What I find surprising is how slow change has happened’, Michael Joroff, Senior Lecturer at MIT.

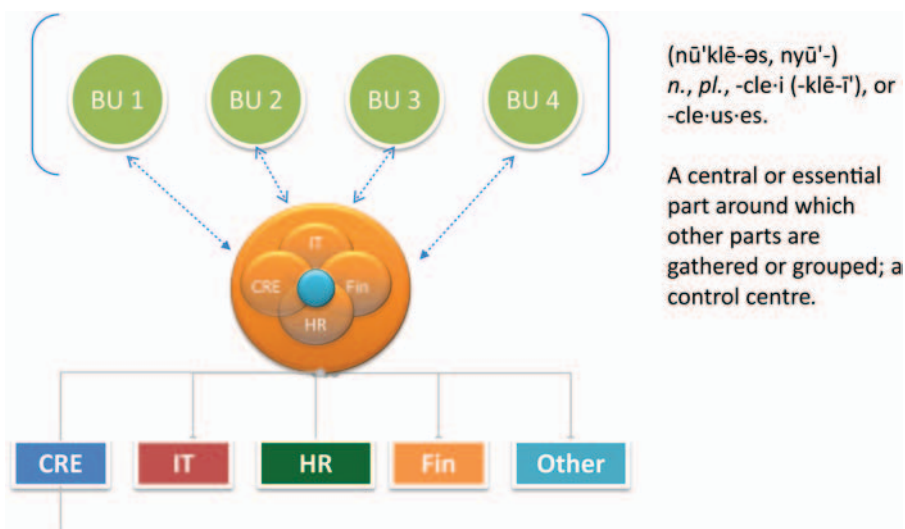


Figure 1 The super nucleus

'We do see a general movement toward this sort of centralised super nucleus ... But I think different industries are moving at different speeds and levels of maturity toward that model', Francesca Jack, Director of Strategy at DEGW.

The authors discovered that over 60 per cent of survey respondents supported the concept of a super nucleus with only 15 per cent disagreeing with the prediction. Despite this seemingly strong consensus for the next generation of shared service departments, there was considerable variability expressed in the *Corporate Real Estate 2020* interviews around the exact organisational form most expected to see come to fruition. As an example, Aapo Pispä, Head of HR for Central Europe for Nokia Corporation, suggested that higher-level strategic functions might be seen, such as customer relationship management (CRM) and planning regulated to this new function, leaving the day-to-day operations to the legacy and more tactical functions. In other cases, such as Procter & Gamble's Global Business Services group, which has evolved over the past 12 years, one could imagine large, complex departments with broad reach and strategic impact, while other organisations might seek less formal and permanent integration through *ad hoc* taskforce and committee structures. This uncertainty was echoed by Siemens' Andreas Schwab, Head of the Chief Executive Officer's (CEO's) Office. Andreas also pointed out in *Corporate Real Estate 2020* that collaboration between IT, HR and CRE had already improved over the past ten years and would simply continue going forward.

Despite evidence of progress, the rationale for even greater leadership, alignment and collaboration is compelling. Many expect the benefits to include deeper infrastructure savings, better anticipation of BU needs, more efficient use of resources and fewer redundant systems. A CEO contemplating the formation of this new department

or hiring a new support function czar inevitably will make a go/no-go decision based on whether this move makes the company more competitive in a measurable way. Most of today's leading and admired CRE organisations have a mature CRM function and a strategic planning function in place. At the heart of the CRM model is a desire to think like the CFO and/or line of business (LOB) leader and to give the CRE function a proverbial 'seat at the table' as trusted adviser to the business segment. A successful CRM professional is on the speed dial of the LOB president, speaks the language of the business (talks business revenue and expense metrics and not just usable square feet) and proactively brings real estate opportunities to the business that reflect a deep understanding not only of where the business is today, but also where it is going. And a successful CRM professional is almost always partnered with a strong strategic planning discipline that can mine insightful business intelligence and marry it with well-developed real estate analytics and capacity scenario planning. Even better CRM models can anticipate demand and connect the dots with corporate-level objectives. If this sounds like nirvana and far from reality for many CRE departments, it probably sounds equally foreign to most BUs. LOB leaders would appreciate the type of proactive and well-aligned real estate recommendations generated by the CRE organisation described above, and CRE staff would love to implement them. The same is probably true for most support functions. Consider the representatives of the other half-dozen support functions all trying to do similar things within their own areas of expertise to deliver value to the same line of business. Think about the typical set of questions that every support function CRM professional will ask the business:

- Tell us about your business strategy, your three-year plan, your business goals and



obstacles for the next 18 months. We can develop more appropriate and proactive strategies for you if we understand your core business direction.

- Can you share your budgets and financial forecasts with us?
- Can you share your customer volume forecasts/sales forecasts?
- What is your headcount forecast for the next three months, one year, three years, five years?

For example, ideally, a location strategy should not only prescribe the amount, location, cost and configuration of an end user occupier's portfolio but also contemplate talent acquisition and retention strategies, the provisioning of personal productivity and mobility tools and finance efficiency ratio targets. Now that really does sound like nirvana. Given the rate of change and the competitive dynamics most BUs face, the job of supporting the business has grown increasingly complex — beyond extracting answers to the above questions. A typical support team's job now ranges from responding to corporate restructuring announcements and new emerging market growth initiatives to leading enterprise expense management programmes or beefing up governance policies in an age plagued with risk and transparency concerns; however, these emerging leadership expectations require a much broader and deeper domain in order to be effective (see Figure 2). Sadly, however, today's support function collaboration is more like busy bees dancing around the hive signalling where to find pollen than Olympic synchronised aquatic dancers. Even the best of companies suffers from support functions having non-strategic relationships with BUs, poor interdepartmental coordination and non-integrated information systems and planning methods, even if they share a common reporting relationship. Furthermore, the involvement of back-office functions in the company's most strategic initiatives

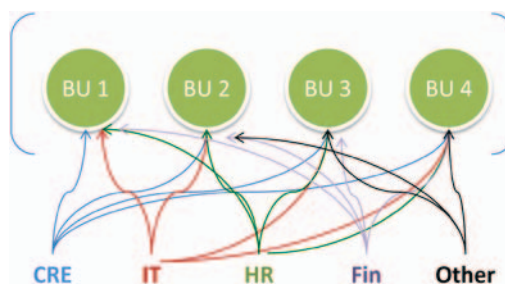


Figure 2 Typical complexities of today's support functions

versus tactical goals such as budget savings and functional productivity is all too rare. Even those initiatives that are directly germane to a support function's domain, like implementing a high-performance workplace solution, can experience challenges under today's most common shared services organisational structures.

### CASE IN POINT: WORKPLACE STRATEGY

In a recent example, a leading Fortune 500 company announced plans to quickly migrate as much as 20 per cent of its workforce to a new mobility programme in order to support a time-sensitive cost-savings goal. While the goal was immediately understood and embraced by all of the support functions, legacy silo behaviour made it difficult for HR, IT and CRE to quickly and jointly develop mobility policies, change-management initiatives and integrated pilot programmes. Lack of trust, conflicting leadership priorities and varying department funding resources for the workplace initiative all surfaced as major obstacles to moving the work forward. At about the same time, the CRE group for another large company with an existing and well-established mobility programme found itself at odds with senior leaders from HR and IT who questioned the value of the entire workforce mobility programme. An audit was subsequently launched by HR and IT to evaluate

the merits of eliminating or significantly curtailing the programme. At the heart of the matter was a lack of common understanding about the goals of the programme and a shared definition of success. HR and IT leadership were not fully aware of the overwhelming success of the programme from an employee satisfaction perspective, or the many controls and measures that had been put in place by CRE to mitigate the many risks and concerns. Similarly, CRE had little visibility into the underlying business concerns or true motives and could only respond with a series of defensive rebuttals. Despite the fact that the three department leads ultimately reached a compromise and saved the mobility programme, it is unclear whether CRE, HR and IT were any closer to sharing a common set of goals for their company's workplace needs.

In the super nucleus model being envisioned, strategy would be approached from a much more integrated place with one 'super CRM', so to speak, or a small integrated team of CRM professionals representing various disciplines that would gather strategic direction from and bring recommendations to the LOB leader in concert. This not only would drive a more holistic set of support service strategies for the business but also would free up significant time and resources within the core revenue-generating LOB to focus on producing and selling projects instead of juggling requests and meetings from multiple support functions. Also, the super nucleus would represent a cross-functional powerhouse of strategic thinking that would not only be invited to key meetings but also would be a required participant in the most strategic business initiatives for the company. There are already a number of examples where super nucleus-like departments, governance structures and even episodic project-based SWAT teams are already seeing the benefits.

## **CASE IN POINT: MORTGAGE CRISIS AND REGULATORY ENVIRONMENT**

The mortgage industry provides an example of where strategic integration has demonstrated significant enterprise benefits. During the recent mortgage crisis, the broad and painful impact was well documented and anticipated, but it also had the unanticipated effect of creating huge spikes in labour requirements to support the surge in bad loan servicing. This spike was magnified even further by regulatory requirements such as mandatory audits of past foreclosures and a 'case management' approach versus the 'call centre support' approach to servicing mortgage holders in distress. Responding to this immediate need for labour was largely a reactive exercise by HR, IT and CRE professionals supporting mortgage functions, scrambling to increase bandwidth, hiring pipelines and seat capacity to respond to the explosion of hiring needs. The anticipated ramp down to pre-crisis staffing levels provided a unique strategic opportunity for the support functions of one financial firm to demonstrate a new level of collaboration. First, the CRE group proactively mapped all the mortgage group operations assets to the forecast ramp-down schedule and illustrated to mortgage leadership why 1) sequencing exits to match up with real estate contractual flexibility and 2) ramping down full buildings versus spreading reductions across the entire footprint would benefit the business in minimising the burden of excess real estate. Partnering with HR and business operations, the team then overlaid labour market performance and site performance metrics to create a holistic model for prioritising which sites and markets to exit and which ones to preserve as end-state hubs after the ramp down. This allowed for three measurable benefits:

- proactive backfilling of attrition in different markets, redistributing the balance of

the workforce prior to the ultimate ramp down;

- selective IT and real estate investments in go-to sites and the ability to flag and defer maintenance investments in assets targeted for possible closure; and
- integration of other back office operations functions across the company that used the mortgage labour spike and subsequent ramp down as a catalyst to redefine the entire back office and call centre geographic footprint.

Prior to the crisis, this integrated initiative had been attempted several times but ended in failure due to the many challenges facing support function integration. In spite of conceptually agreeing to the value of an integrated call centre location strategy prior to the mortgage crisis, this event created a compelling enough business justification for support functions to come together and work as one team.

### **WHY SHOULD INTEGRATION HAPPEN NOW?**

Over the past year, it has become increasingly clear that many believe migration to higher performance models should happen more quickly. The operating environment and organisational demands justifying a super nucleus are already present in most high-performance companies. The pace of change is constantly accelerating, and new generations entering the workforce and those leading them have very different expectations as to how support functions should actually support them. As an example, the authors are witnessing what appears to be an abrupt change in some corporate attitudes towards employee mobility. New C-suite workplace edicts test the ability of corporate infrastructure groups to almost instantly change what may have been fairly stable and predictable portfolio and workplace planning assump-

tions. While almost 10 per cent of the US workforce was mobile in 2010, according to *USA Today*,<sup>10</sup> in December 2012 Bank of America was reported to be scaling back its well-known mobility programme, My Work.<sup>11</sup> The *Charlotte Observer* reported that Bank of America's goal was to encourage employees to work more collaboratively with their teams and thought this could be best accomplished in the physical workplace.<sup>12</sup> Shortly thereafter, in February 2013, Yahoo determined that it also could drive more innovation and collaboration with key subsets of its workforce by having them work in the same physical space. Yahoo's decision to cancel its work from home programme sparked a very active and wide debate about the merits of working at home across many industries. And, finally, a week later, Best Buy, which launched its Results Only Work Environment (ROWE) mobility programme in 2005 and had been praised by workplace enthusiasts over the course of its nearly eight-year tenure, abruptly shifted its view on the policy in light of its broader turnaround strategy.<sup>13</sup>

Companies looking to dial back mobility programmes — as well as late adopters who are reluctant to start — seem unanimously to point to the need for collaboration as the primary rationale. But could other factors also be at work? As an example, some industries are facing major external forces that threaten legacy business platforms and processes, including new regulations for the financial services industry or perhaps the impact of online channels on big box retailers. These competitive threats may encourage companies to adopt a more command and control leadership style in an effort to right what may feel like a sinking ship. Regardless of the changing or expanding drivers of corporate mobility and workplace strategies, the calculus is more complex than before and seems to require significantly more integrated and interdisciplinary approaches to



solving the C-suite's goals. Support functions will have to not only respond to these goals more quickly, but also anticipate the implications for space, infrastructure and policy. Without a strong antenna for rapidly changing attitudes and priorities in the C-suite and the ability of CRE and HR to sing from the same songbook, the response could be less than harmonious.

Likewise, as our understanding of workplace effectiveness has evolved, organisations have moved from simply benchmarking against space utilisation metrics from their peer organisations to a much more business-centric, customised approach. As the authors have learned from experience, one size does not fit all, and the 'right' workplace strategy will be heavily influenced by each company's culture, industry and the demographic make-up of its workforce. This concept is summarised in eBusiness Strategies' adaptation of a Perkins and Will study<sup>14</sup> which plots a number of companies on a 2 x 2 matrix of mobility versus workforce distribution (see Figure 3). As the matrix suggests, there are many variables to consider when

developing a workplace strategy. It would be nearly impossible to determine the right course of action without a truly holistic understanding of business strategy and a seamless integration of all of the support functions that contribute towards a BU's success.

American Express (Amex) offers a great example of how organisations can evolve their workplace strategies to solve for the true measure of effectiveness — employee productivity — and integrate the right support functions to drive the desired results. One of the first things Susan Chapman did after assuming the helm of Amex CRE was change the name of her group. Changing from 'Global Real Estate' to 'Global Real Estate and Workplace Enablement' was an important message to send to Amex BUs and associates about the role she sought to play. Susan said in a telephone interview that she has since shifted the Amex workplace from being viewed as an 'entitlement to an enablement'. Most real estate departments serve at the mercy of the business. And while their value proposition is real, it is often small

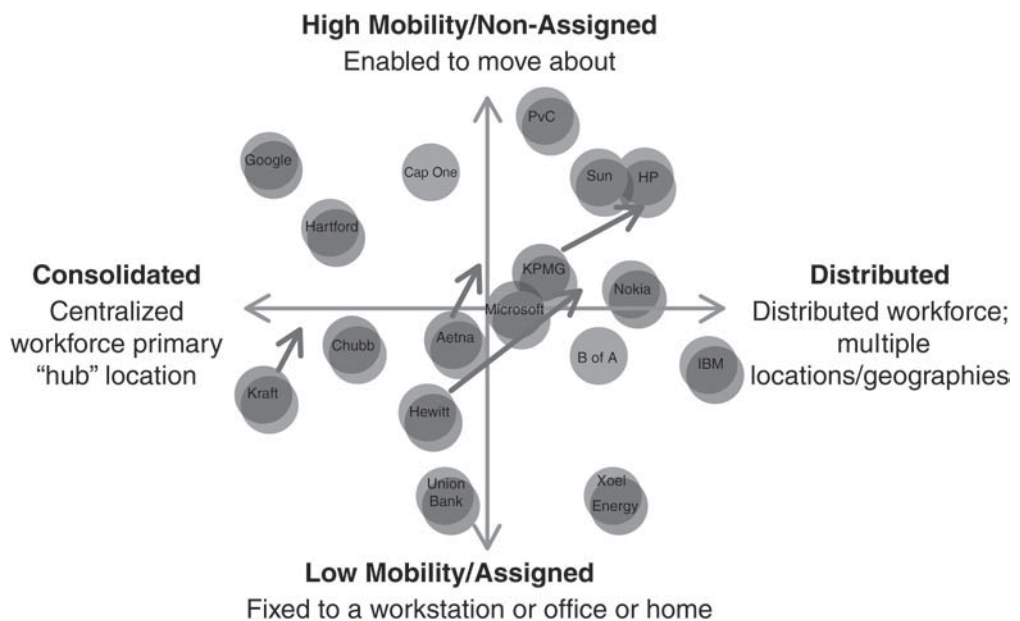


Figure 3 Matrix of mobility versus workforce distribution

Source: Perkins & Will

in terms of impact. At Amex, Susan's team now focuses on driving an end-to-end employee experience versus the more siloed approach of typical support function departments. This requires her staff to ask and seek answers to questions such as: What keeps employees from being productive? What trade-offs need to be made between support functions to drive greater employee productivity? As an example, Chapman noted, CRE can build a great space but then fail in the eyes of the end user because the technology does not support a great employee experience. As a result, IT and CRE, along with other support functions, collaborate very closely at Amex and employ a working governance forum to make sure this alignment is formal, consistent and focused.

In addition to greater collaboration between HR, IT and CRE to support key initiatives like BlueWork — Amex's workplace enablement solution — Amex has established strategic touchpoints between its support functions using a super nucleus-like department, Global Business Services (GBS), which houses some of its support teams. While portfolio strategy remains the responsibility of Global Real Estate and Workplace Enablement, other cross-functional strategic initiatives such as change management and mergers and acquisitions (M&A) reside at the GBS level. While this level of strategy and innovation is key for next generation support functions, Chapman warns, one cannot forget the importance of the basics — delivering great service. 'You only get a chance to do the strategic stuff after, and only if the lower level blocking and tackling is working', she said in a telephone interview. 'This is the foundation of a business unit's comfort and trust [with CRE].'

Facebook offers another example of this more employee-centric, end-to-end approach to developing a workplace strategy. Facebook strives to enhance worker productivity by creating a 'hassle free' work environment. Similar to the SAS mantra to remove distractions and

impediments to productivity, Facebook's approach is designed to help employees move fast, have impact and stay focused. Here are just a few examples of the many perks provided at Facebook:

- three free hot meals a day — full-service cafeterias on campus as well as speciality offerings such as a sushi bar, burger bar, taco bar, sweet shop and fully stocked micro kitchens on every floor of every building;
- onsite laundry and dry cleaning service;
- IT support bars — similar to Genius at an Apple Store — rather than submitting a ticket, an employee walks over to an IT support bar, and if the problem cannot be fixed in a couple of minutes, they are given a loaner laptop to enable them to get back to work while the issue is being fixed;
- with a badge swipe, supply vending machines offer access to needed supplies including high-priced technology peripherals.

In addition to eliminating obstacles so that Facebook employees can be creative in the workplace, the company actually encourages its employees to be creative to the workplace as well. Employees are allowed to and encouraged to 'do anything' to their workspace, and the only rule is that if anyone does anything that leadership deems inappropriate, it can be undone. Some examples of creative 'do it yourself', or 'do anything in your workplace', innovations include an instance where a team painted a wall in its work area metallic so magnets could be stuck to it. Another team created a 'fancy restroom' by installing faux wood flooring, a spa water feature and an iPod playing soothing music. The company also sponsors an artist programme, where artists are invited in to create huge murals and graffiti art and often take suggestions from Facebook teammates. CEO Mark Zuckerberg supports a collegial environment on campus to promote strong social bonds between

teammates that can boost employee attraction and retention and also spark innovation. Zuckerberg is an iconic young, millennial leader, and while much of his vision for the workplace may seem frivolous or irreverent to traditionalist, boomer and even Gen X generations, for younger workers this is a good illustration of 'work is life' and being able to bring their true, authentic self to work. But these cultural phenomena can be difficult and expensive to support using more traditional approaches to support function management and collaboration.

### WHO WILL LEAD THE SUPER NUCLEUS?

Assuming that a compelling case has been made for stronger integration of support functions at both the tactical and strategic levels, there is still a tough and controversial question to answer: Who is best positioned to take the helm of this integrated strategic support function? Of the 40 companies interviewed during CoreNet Global's *Corporate Real Estate 2020* research, nearly 75 per cent thought a new form of integrated workplace leadership was imminent.<sup>15</sup> While lacking consensus on whether or not the new 'leadership' would be an individual role and whether these new professionals would rise from the ranks of CRE, HR or IT or another function, all seemed to agree that certain skill sets would be critical. In the current authors' report, it was claimed that the new leader would need to: 'Have skill sets that are more strategic in nature, a far deeper understanding of the business and a more diverse set of experiences — including exposure to [multiple support functions]'.<sup>16</sup> In a 2009 study conducted by CoreNet Global and CBRE, the top three skills future CRE leaders would be expected to have were:

- strategy and strategic planning;
- communication; and
- relationship building.<sup>17</sup>

During the authors' interviews, others cited a strong desire to see a 'visionary' capable of articulating the value of the integration and winning the buy-in of senior executives and support from employees. Considering emerging workforce and leadership trends, one might add to the list:

- a deep understanding of human capital, promoting productivity, creativity and attracting and retaining talent;
- insight and courage to be a futurist and a strategist; and
- ability to bridge the gap between multiple generations from traditionalists to gamers.

These expectations would not be limited to just the leader of the super nucleus, but rather the DNA of the entire organisation. Adam Hoy, Global Real Estate Director at Unilever, said in *Corporate Real Estate 2020* that: 'a whole army of those folks that have those skills' would be needed to serve the needs of his clients.<sup>18</sup>

Despite broad support for this new era of leadership, many CRE participants in this study were at odds about whether today's CRE leaders and rising leaders were up for the challenge. Some asked: 'Are we developing and cultivating the kind of talent in our ranks that would be obvious candidates if HR posted this position on the job board?' By virtue of playing the project manager role for everything ranging from restacking a floor to developing an HQ campus, one could argue that these are signs that we are already acting in this capacity, even if on a more episodic basis. In spite of some of the challenges cited earlier, workplace strategy is often one of the key programme activities appointed to CRE leaders that affords them stronger relationships and insights into their HR and IT counterparts. Although the productivity benefits of alternative work clearly take on more of an HR slant, these programmes are often spearheaded by CRE in

an effort to achieve cost-savings and generate reinvestment dollars for employee programmes and space and productivity enhancement tools.

Because of both the project management discipline and programme management leadership for workplace strategies, CRE professionals have had more experience in playing an active integrator role across multiple support functions than their counterparts in HR, IT and other functions. It is also fair to say that CRE professionals are often put in a position to drag their HR, IT and LOB partners along the real estate critical path to a solution simply because real estate often has the longest lead times and the least flexibility in allowing dates to slip in the face of lease expirations or challenging landlord negotiations. But playing an integrator role to deliver a project on its own may not provide enough leadership experience to take on the super nucleus leader role. Other leadership skills and vision are also required.

Is the CRE talent pool deep enough to produce a pipeline of super nucleus candidates? This question was posed by Craig Robinson in an interview with Kimball Wood, a Partner at Crown Advisors, a leading provider of management talent and executive leadership for the real estate industry and related financial services businesses. Wood suggested that: ‘Executive recruiters retained to find candidates for this type of position would likely look outside the CRE industry. While the obvious places to start might include groups that already have responsibilities for multiple support functions today, like CIOs or CAOs, the more strategic nature of the role could take us to the consulting industry, as an example.’ Wood’s advice was consistent with other people interviewed, who thought a successful candidate would have to have a diverse and broad background; however, in keeping with Adam Hoy’s army metaphor, Kimball thought the super nucleus job might be too

big for any one person. ‘We would encourage our clients to think about building a team versus finding that one magic person’, she said in interview.

While resistance to change and reliance on traditional methods — the more siloed approach to support functions, for example — are part of human nature, there are clearly driving forces and compelling reasons for stronger integration of support functions and roles. The 2012 CoreNet Global *Corporate Real Estate 2020* research outlines a migratory path to full integration and unified leadership at the most strategic levels within the next decade,<sup>19</sup> but the authors believe high-performing corporations will close the gap sooner or are already embracing and implementing aspects of this strategy. CRE continues to produce some of the leadership core competencies that are key for a super nucleus role, but this talent is just as (if not more) likely to emerge from other shared services leadership seats or the consulting world. For forward-looking organisations that want to thrive over the next decade and beyond, support services strategies to improve overall performance and productivity will not be a luxury, but rather a necessity — and the super nucleus very well could be the answer.

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