



Figure 2. Milestones and Deliverables

Next Steps

As indicated in Figure 2, CoreNet Global will engage a professional market research firm to conduct a survey of the industry using questions prepared by the research teams. The market research firm will, in turn, administer the survey and evaluate the results for use by the research teams and members of CoreNet Global.

The research teams will also be preparing a set of diagnostic tools for use by senior corporate real estate and infrastructure leaders to assist them in assessing their current state and what they need to do to move their organizations from where they are to where they need to be in 2010.

Once the interviews and survey are complete, all of the information will then be validated by senior leaders at the Industry Leader Roundtable in December.

Steps are already being taken to insure that the findings will be presented in CoreNet Global Summits in 2004 and incorporated into CoreNet Global's menu of Chapter options and Executive Development Programs.

Research reports will also be published for each area along with a summary document that highlights the overall findings and implications for corporate real estate and infrastructure leaders.

Finally, CoreNet Global is already working with its marketing and public relations firm to insure that the findings from this work are captured and reported by the industry and business press as part of the process of transforming the industry.

Participating Companies

Corporate End-users and Service Providers participating in Corporate Real Estate 2010 include:

Corporate End-Users

ABN AMRO
Automatic Data Processing (ADP)
Aetna
Bank of America
Boeing Realty Corporation
BP International
Cadence Design Systems
Capital One
Cisco Systems
Coca-Cola Company
Dell Computer
Deutsche Bank
Disney
Electrolux
Ernst & Young
Exxon Mobil
Fidelity Investment
Fleet Boston Financial
Ford Land
General Mills
General Motors
GlaxoSmithKline
GSA
Harvard University
Herman Miller
Hewlett Packard
Intel
JP Morgan Chase
KeyBank
LMC Properties (Lockheed Martin)
Manulife
McKesson Corporation
Microsoft
Motorola
Nokia
Nortel Networks
Northern Trust Co.
Novar
Orange PCS Ltd

PeopleSoft
Procter and Gamble
Royal Bank of Scotland Group
Sabre Holdings
SBC
St. Paul Companies
Sun Microsystems
The Hartford
Thomson Corporation
UBS AG
USAA
Verizon
Wells Fargo
Whirlpool

Service Providers

Accruent
CB Hillier Parker
CB Richard Ellis
CLW
CRESA Partners
Cushman Wakefield
Deloitte & Touche
DMJM
EMCOR
Equis Corporation
Equity Office Properties Trust
Ernst & Young
Gensler
Grubb & Ellis
HOK
Johnson Controls
Jones Lang LaSalle
Knight Frank
M Moser Associates Ltd.
Nelson Bakewell
Newmark
The Staubach Company
Tishman Speyer
Trammell Crow
USI

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Corporate Real Estate 2010 Enabling Work in a Networked World

**A Research and Leadership
Development Program
for Corporate Real Estate and
Infrastructure Management
Professionals**

Executive Summary

October 2003



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Report on the Status of Corporate Real Estate 2010

Try to Imagine ...

Have you ever tried to imagine what work will be like in 2010? It is not easy. But that is exactly what Corporate Real Estate 2010 is all about -- trying to envision how, where, and by whom work will be done and what corporate real estate

and infrastructure leaders must do to prepare themselves and their organizations to be successful in the networked world.

Corporate Real Estate 2010 Officially Launched

To help our members anticipate and respond to these changing business needs, CoreNet Global has launched the most massive research program ever undertaken by the corporate real estate profession.

Corporate Real Estate 2010, the new research and leadership development initiative of CoreNet

Global, was officially launched in August in North America and September in Europe. At this point, over 75 firms and 130 thought leaders are already engaged in defining what must be done to proactively lead their organizations through the inevitable but necessary changes that must be made to "get ready" for 2010.

Research Methodology

To successfully execute a program of this magnitude in such a short period of time, the old rules were thrown out and a new research paradigm was established . . . a research program that is carried out "by the members for the members" with assistance from the outside where appropriate.

Key steps in the research methodology for Corporate Real Estate 2010 are illustrated in Figure 1.



Figure 1. Research Methodology

Accomplishments To-Date

Industry Vision Drafted

Based on input from the participants, a draft vision for the industry in 2010 was prepared to provide a common frame of reference for the eight teams participating in the research program. This vision reflects our strong belief that the subtle but steady advance towards the networked world is one of the most significant long-term trends in business – and that this trend is going to fundamentally transform society and almost every aspect of the way in which firms operate.

We also believe that those companies who are able to respond to the new business environment will have a unique opportunity to benefit from the profound changes that are about to occur.

Research Teams Created

Based on the vision, seven research teams were created and launched in North America, with an eighth team launched in Europe to address similar issues.

The seven research teams in North America include:

- The Changing Nature of Work and the Workplace. Team Leader: Eric Scaff, Johnson Controls. This team is also being assisted by Dr. Charles Grantham and Dr. James Ware from The Work Design Collaborative.
- The Strategic Role of Place. Team Leader: Tom Bomba, Jones Lang LaSalle.

- New Models for Service Delivery and the Transformation of the Service Provider Industry. Team Leaders: William J. Braun, Cushman and Wakefield; and Mary Pat O'Neil, Johnson Controls.
- Asset Management and Portfolio Optimization. Team Leaders: Candace Fitzpatrick, CRESA Partners; Craig Morris, Grubb & Ellis; Randy Pereira, CB Richard Ellis; and Susan Wojciechowski, Trammell Crow Company.
- Integrated Infrastructure Management. Team Leaders: Karen Ellzey, Trammell Crow Company and Steve Valenziano, Jones Lang LaSalle.

- The Role of Technology and the Web. Team Leaders: Georgia Perkey, CB Richard Ellis and David Clute, Cisco Systems & OSCRE.
- Enterprise Leadership: Skills and Competencies for Successful Corporate Real Estate and Infrastructure Leaders. Team Leader: George Bouris, Deloitte and Touche.

The European research team is being led by Nigel Yeatman, Cushman Wakefield Healey & Baker; with assistance from Nick Axford, CB Hillier Parker; and Francesca Hughes, Jones Lang LaSalle.

Research Hypotheses Developed

Following the creation of the research teams and the official launch meetings in Chicago and Amsterdam, each team was charged with defining their research goals and hypotheses (Big Bets). Some of the specific hypotheses being tested include:

By 2010, leading Multinational Corporations will be able to:

- Access the financial position of their portfolio in real time.
- Track the performance of their portfolio against industry standards and the business goals of the enterprise.
- Have secure and predictable access to data and information, regardless of time or location.

Furthermore, we believe that by 2010,

- Integrated corporate infrastructure management will be accepted as a best practice by leading Multinational Corporations.
- One of the primary roles of the corporate infrastructure leader will be to understand the nature of work.
- Reporting tools will exist to assist decision-makers in managing the infrastructure in real-time.
- Trends towards integrated corporate infrastructure management will result in major changes to the service provider industry.

- Strategic configuration management (as opposed to traditional site-by-site decision-making) will be accepted as an industry best practice.
- The volume and diversity of activities that Multinational Corporations transfer to low-cost, high-value locations will dramatically increase.
- New technology will provide a stable, secure network environment that can withstand viruses and other attacks.
- Smart buildings will be common and accepted as a vehicle for accelerating human productivity.
- There will be a continuing shift in the sharing of risk and reward toward the service providers as they assume a more strategic role as partners of the enterprise.
- The role of the corporate real estate executive will evolve into that of a change agent who plans and manages the infrastructure for the business and designs the accompanying service delivery networks.

Discussion Guides Prepared

Structured interview guides were created to validate each team's big bets and document the expected state of practice in each research area by 2010.

