



Room For Innovation: How Companies Are Redefining The Office Experience

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Fifteen years ago, Andrew Hargadon published a book that would change the way people think about innovation. “How Breakthroughs Happen: The Surprising Truth About How Companies Innovate” uncovered the truth about corporate creativity.

Hargadon’s philosophy dictates that innovative ideas can rarely be attributed to a single person. Instead, existing ideas are transformed into new ones through a process Hargadon calls “recombinant innovation.” Recombinant innovation is born from multiple brains working together.

To promote this practice of recombinant innovation, more companies have invested in spaces that encourage collaboration. Several office buildings have ditched closed offices and cubicles for more open corporate environments. Now, the industry is taking these trends a step further. More offices are combining indoor and outdoor office space and experimenting with different types of desks and working pods to promote idea exchange across teams. The office has become more of an experience than a destination, and new office designs give tenants the opportunity to activate their space.

“[Office owners] are including better WiFi, better common areas and meeting spaces, better access to sunlight and open space, better food and more of a campus-type of environment,” President and CEO of Lee & Associates Jeff Rinkov said. “I think that it is the same thing as experiential retail, which is what everyone is talking about. It is a similar conversation.”

This industry conversation recently took center stage at Harvard’s Real Estate Weekend, where, during a pitch competition, a panel of judges reviewed several innovative PropTech platforms. The winning platform, BetterSpaces, aims to create collision spaces, where innovative ideas and breakthroughs can come to fruition.

The tenant retention platform uses Agile Amenities technology to respond to specific tenant needs and preferences. This data-driven technology learns specific tenant requirements and responds with potential solutions. Tenants can use the platform to book spaces, like green areas or conference rooms, and curated amenities, like meditation classes or a speaker series, directly from their phone or mobile device.

“The real estate industry is facing a perfect storm of transformation, stemming from job automation, the sharing economy and now the rise of the innovation economy,” BetterSpaces Solution Developer Bukky Awosogba said. “Building owners and managers are using tenant retention platforms that promote employee well-being and collaborative concepts. These concepts drive recombinant innovation and increase tenant satisfaction.”



Google is one of several companies investing in experiential office trends to encourage team collaboration, and in turn, drive recombinant innovation. The design concept behind the tech giant’s Mountain View HQ in Mountain View, California, was driven by a thirst for collaboration. The campus offers a variety of workspace options, from bean bag chairs and swing sets to on-site cafés. Like a college campus, this type of community setting encourages team-building and knowledge-sharing.

“We want to create opportunities for people to have ideas and be able to turn to others right there and say, ‘What do you think of this?’” Google Vice President of Real Estate and Workplace Services David Radcliffe said.

On the other side of the country, Google’s East Coast HQ was designed specifically to foster a culture of creativity and stimulate the practice of recombinant innovation. A former shipping complex in the Chelsea neighborhood of Manhattan, every aspect of the office was created to promote collaboration.

The office prides itself on a diverse set of working and collaboration spaces. It features several cafés, kitchens and outdoor spaces. Employees also have access to “scribbling walls,” where they can brainstorm ideas together by drawing and writing on a wall. This type of activity encourages employees to work across teams to develop concepts and provide their colleagues with feedback and suggestions.

These collaborative spaces have also helped remove psychological barriers that make it difficult for employees to communicate. For instance, an employee might feel more comfortable approaching their direct manager about an idea over coffee or a meal than scheduling a more formal meeting. Google’s philosophy has paid off.

Thanks to open office design and collaborative gathering spaces, the company has developed the Google Art Project and enhanced the AdSense and AdWords advertising platforms.

Global travel company Trivago has also adopted this campus approach. In 2016, the company unveiled plans to transform its Dusseldorf, Germany, corporate HQ. Buildings throughout the campus feature several rooms and open spaces to spark creativity across the company.

The Trivago campus aims to be a "Third Place," a hybrid setting that sits at the intersection of work and play. The office features conference rooms with a set of themes, including movies and travel, to initiate conversation among employees. It also includes a diverse set of meeting spaces, including a greenhouse and a meeting area with beach chairs. This type of creative, collaborative space encourages employees to speak to one another directly, as opposed to aligning calendars and scheduling a more formal meeting.

"Many people are puzzled when they realize that we have nearly our entire global team sitting in one place; but by bringing everyone together, we have seen that coworking and collaborating on a daily basis is fundamental to building mutual trust," Trivago Head of Global Affairs Sydney Burdick said to HospitalityNet. "It enforces an exchange of information, accelerates action being taken and speeds up learning."

Trivago's corporate philosophy dictates that employees who participate in leisure activities together have an easier time approaching their colleagues to collaborate at the office.



But it isn't just tech companies that are implementing these concepts. Larger and more traditional companies like hedge funds and financial firms are also catching onto the trend. In Manhattan, Citadel recently signed a 200K SF lease at 425 Park Ave., a 670K SF office tower currently under construction in the Plaza District. Developed by L&L Holding Co. and designed by Norman Foster, the office building will offer community space on the 26th floor.

"It is not enough to simply provide physical space in today's economy," L&L Holding Chairman and CEO David Levinson said. "It's about cultivating environments that encourage human interaction and the sharing of ideas. Through our engagement with BetterSpaces, we are responding to the evolving needs of today's workforce by giving our tenants access to amenities that help them with their health and fitness. It is the way people want to live and work in today's economy."

Several new office developments are considering these concepts before they know who their tenants are.

SL Green is developing One Vanderbilt, a 1,400-foot-tall icon set to redefine the city's skyline with these emerging trends in mind. The building is expected to be the pinnacle of sustainability in New York City.



"Our goal is to offer the most amenitized and advanced new office construction for tenants looking to grow their business and provide their employees with a top-of-the-line work experience," SL Green Executive Vice President and Director of Leasing and Real Property Steve Durels said. "We're doing this through thoughtful design and implementing innovative sustainability measures that go above what's required in a typical office building."

One Vanderbilt's interiors were designed to feature column-free floor plates for flexible work areas, floor-to-ceiling windows, a 30K SF tenant-only amenity floor and an outdoor terrace overlooking Grand Central Terminal. The building is expected to promote tenant wellness and productivity through open space, natural light and air quality.

"By combining employee well-being with collaborative solutions, any building can create authentic tenant experiences," Awosogba said.

As more companies promote recombinant innovation in the workplace, developers are thinking about ways they can reinvent their offices to appeal to tenants. New technology is shaping the way people experience their office space. As the office emerges, innovative solutions will continue to follow.

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