

represent an emerging culture of high technology, young candidates in high demand, and high risk with high incentive . . . Business strategies include workplaces that attract and retain the best and the brightest candidates. Leadership toward success is the focus, not an attempt to change the individuals or teams. Traditional office space is not a consideration. E-commerce envisioning hypothesizes workplace tools, including social settings, sleeping and showering areas, lighting drama, and the idea that *work is social*. We are, however, acquiescing to the educational environment with the transition into the creative business environment. The question arises: What happens after dot.com?”

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## OUTSOURCING RELATIONSHIPS

During the recession years of the early 1990s, many corporations took a hard look at their financial statements and decided to focus only on their core businesses. These decisions usually triggered the outsourcing of all ancillary functions, including facility management and interior design. For some corporations, a skeleton staff remained to direct and oversee the work of outsourced service providers. For other companies, entire divisions were outsourced, requiring the outsourced service providers to answer directly to a vice president of administration or sometimes the chief financial officer. In the IFMA's Research Report #16, *Facility Management Practices*, published in 1996, the data suggested “a shift toward doing more with fewer internal FM staff and/or perhaps a greater use of outsourcing.” This recent shift has created a greater demand for outsourced facility management and interior design service providers and their specialty practices, in both the traditional temporary consultant mode and an on-site mode.

The main reason to outsource is typically financially based. Lynda Grasser-Ross, with significant experience and training in real estate and operations-oriented development leasing, has observed that “the main driver to outsource is the corporate decision to disengage from non-core services, with a clear expectation of cost savings.” Now with the Fireman's Fund in Novato, California, Grasser-Ross continues to outsource facility planning and design services, citing other drivers that include the need for consistency and best

practices. She profoundly believes that best practices are realized when working with outsourced providers who keep abreast of emerging trends in the marketplace, and offer their industry expertise from working with a variety of companies addressing a diverse platform of issues. She feels that best practices is a compelling reason in itself in support of outsourcing.

Baxter Healthcare has long believed in the benefits of outsourcing. It and its sister company, Allegiance Healthcare, created outsourced relationships in order to focus on their core business and let others do what they do best. They wanted to be a low-cost provider with the best value. These outsourced relationships range from clerical services and travel support to real estate management and facility planning.

While much of the recent outsourcing trend did not alter the traditional design services offered by interior design firms (delivering conventional renovation or new construction projects), it did increase the need for specific ancillary services, such as churn work, relocation management, and CAFM services. These services had traditionally been provided by internal staff and now needed to be outsourced. However, the significant shift which affected interior design firms was the desire and expectation by the corporation to outsource their facility planning and design services to a service provider who would actually “sit on-site” with them, the customer. This resulted in a dedicated staff, who resembled in every way corporate employees, complete with security badges, access to computer systems, assigned parking spaces, and regular hours. Naoto Oka, design manager with the Facilities Management Division of the World Bank, describes it simply as “you provide services to clients on-site, but your paycheck comes from your company.” Some interiors firms reject this idea, and do not participate in providing on-site services. Other firms embrace it as an opportunity to get close to their customer and become in many ways their strategic partner.

### **On-Site Provider**

Providing on-site facility planning and design as an outsourced service can be a tremendous win-win opportunity for both the client and the service provider. Howard Baskin, an architect with GHK, lived on-site with Bank of America for six years as an outsourced provider in a consultative role. Previously he was an in-house facilities staff member for American Hospital, and