

Stockland: Creating the Workplace of the Future

81531 Industry Innovation Project: Assessment 2B



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Executive Summary

This report details a project intended to assist Stockland Developments in creating a better workplace offering for tenants and their workers, whilst aiming to build their competitive edge in the market. Stockland has a need to not only provide market-leading physical workspaces, but develop market-leading processes to tackle these challenges in a quickly evolving landscape.

Noting our positioning within the problem space and Stockland's existing approach to the challenge, this project has been built around offering learning to Stockland. It is centred around doing something different, offering learning via a process of practical application and provocation, with the goal to expand Stockland's thinking and underscore the risk-taking necessary in developing new solutions.

As such, allowing them to critically observe all aspects of the project maximised their ability to learn. These included:

- Approach
- Process
- Intervention
- Implementation
- Reflection

The intervention insists on a need to leverage Stockland's existing relationship with tenants via an iterative process of codesign. With an understanding of the complex and human experience of work, Stockland has the capacity to offer work environments tailored to the unique needs of each tenant. Importantly, with a consideration of iterative learning, they can not only offer market leading value, but continue to build experience and strategies beyond those of their competitors.

1. Introduction

1.1. Original Brief

To establish context, it's important to recognise what was asked of us in the brief, and while our framing of the problem expanded over time, it was both the catalyst for our work and a reference point throughout. In the brief they asked:

How can we create the workplace of the future; a place where the next generation of employees and entrepreneurs feel inspired to contribute to work in a meaningful way? What physical and non-physical attributes will create a magnetic, thriving culture of creation and collaboration?

Stockland's purpose is about creating a better way to live. One area of strategic focus is around creating workplaces of the future and ensuring that we are creating places where people want to be. One of our challenges is imagining what the future generations of workers and creators will want from these workplaces.

1.2. Stockland's Core Need

The brief and questions ultimately reflect a deeper need to innovate. While Stockland's risk-averse strategy has proved fruitful in the past, changing times and uncertainty largely motivates the need for a different approach in search of market competitiveness.

A different approach is evident in their overall strategy as they have responded to changes in the market. Having restructured their asset portfolio, they have off-loaded retirement holdings and placed greater emphasis on logistics in order to diversify and build resilience amongst uncertainty.

Similarly, this problem space is about innovating in the face of change. The world of work and the meaning of work has shifted. While it is important to realise that Stockland hasn't constructed an office building in 12 years, the experience of work already contrasts to what it was two years ago, with neither Stockland or their competitors currently in a position to properly satiate the needs of their customers - either tenants or workers.

As such, there is an opportunity to not only meet those new needs first, but do it better. However, in order to do that they must do something different, both in outcome and approach.

2. Approach

2.1. Need for a Different Approach

In the brief Stockland specifically noted the desire for new and different approaches:

As future occupiers of workplaces and in conjunction with the knowledge that this academic lens provides, we were interested to see if a new approach to imagining these built forms could emerge. Our thinking is that not only will BCI students deliver insights from their own personal perspective, but through a number of frameworks a different approach could be considered.

While there are multiple theoretical ways to consider a different approach, there are various commonalities between them. Approaches can be considered in terms of innovation, however, as per the mid-project check-in, it is also useful to consider them in respect to complexity, The Cynefin Framework and probing. Whichever way it is considered, there is no road map to follow, and an ability to navigate an unpredictable environment will be determined by the ability to learn and respond.

As such, a different approach must be about maximising learning and practically applying it. While this can be considered as probing, it relies on a process of experimentation, the inherent failure in it and drawing as much knowledge from it as possible. The inferred iterative process of 'try, fail, learn' ensures that each learning experience creates a better position from which to try again.

Failure is inherently risky, it isn't efficient and costs time and money. However, being risk-averse and innovative is incongruous. People, processes and systems must be given the opportunity to take risks.

2.2. Our Positioning

Understanding that learning requires experimentation and risk clearly applies to how Stockland must tackle this challenge, but most importantly, it applies to our approach. In respect to complexity we recognised our role was effectively probe number one - a

safe-to-fail experiment. As such, risk taking and potential failure were imbued in this project, with the goal of drawing learning from both success and failure for Stockland. Our role was to show them not only what the future of work looks like, but what learning in this problem looks like too.

To provide that learning effectively, it was essential to be self-reflective and aware - to clearly outline where we were positioned within the problem and with respect to Stockland. The smaller size of our team allowed us to be more agile and communicate more easily in comparison to the Stockland team structure, but we identified two differences that determined our thinking around our approach:

1. Experimentation and learning in Stockland's context is risky and challenging. It takes time and money as a business, and at an individual level, each person is nested within systems designed to mitigate risk. In terms of risks to take, and potential failure to deal with, we as an investment were very low risk. Our position privileged us to take risks in thought, process and outcome that Stockland could not, and we viewed these risks as an obligation.
2. Similarly, the natural bias towards tried and tested methods is limiting when there is a need to do something new. Everyone at Stockland we were surrounded by was very experienced. While experience can tether ideas and processes in place, in quickly changing times, inexperience can be an enabler of openness to possibilities and avenues to success. In our experience this can take the form of transdisciplinarity, because often an answer already exists, hidden in a different context or area of specialisation. By positioning ourselves in this way we drove purpose - it was to do things Stockland couldn't do in order to provoke and prompt.

3. Process

Multi and transdisciplinary research was the foundation of our process, building an understanding from three forms of knowledge: desk research, problem-specific knowledge, and lived experience.

3.1. Desk Research

Desk research drew on academic and expert knowledge and followed streams of knowledge that mightn't have been obvious. There was not a strict research methodology, but we drew on a multidisciplinary set of viewpoints.

The key findings here were that work exists as part of the complexity of everyday life, and this human centred perspective coloured a lot of our thinking. This is especially notable as the role of work continues to shift within all our lives. Continued automation will drive what experts have referred to as 'work of the heart', where distinctly human processes and understanding will be driven by the interactions between people, whether that is with customers or teammates. But, the complexity of the future brings with it the unknown, and an ability to pivot and adapt will be the only way to navigate changing times.

3.2. Problem-Specific Knowledge (Conversations)

Similarly, weekly interviews at Stockland were open and characterised by the multidisciplinary perspective we were offered on all aspects of this problem, but especially on the way the company was approaching this problem - the C and D-Life for example. These interviews were more like siloed conversations, and we asked short questions to have genuine dialogues, trusting everyone's expertise in their own experience to reveal what was important, both in respect to Stockland and the problem in general. Sometimes there were competing opinions, but they proved for healthy and robust discussions - we wanted a rounded and diverse swathe of knowledge.

These conversations helped us identify opportunities and challenges for the firm itself in tackling this challenge. Currently, Stockland designs and commissions the construction

of buildings, filling them with tenants through a proven process that mitigates risk. These weekly interviews acted as a low-risk probe in themselves - they didn't require substantial time or financial investment. Throughout we were able to test our understanding, and towards the end we were given the opportunity to sense-check our slowly evolving solutions.

3.3. Lived Experience

Initially we didn't view our own perspectives as particularly valuable, however after desk research we came to recognise that collectively, we have 20 years of experience working the way we will in the future. Within a distinctly unrestricted environment we have been allowed to make our own observations and opinions about complex problem solving, creativity and collaboration away from a traditional work setting. Due to this, we documented conversations amongst ourselves, similar to the ones we had at Stockland. Insights spoke to a distinctly human experience of work, where safety and engagement were seen as necessary for honest risk-taking and learning.

3.4. Sense-Making (final stakeholder grouping)

Evidently, over the past twelve weeks we have collated a diverse, in-depth knowledge base (see Excel document in Google Drive), however, the challenge was turning all of this supportive evidence into usable and digestible understanding - We had academic perspectives, lived experience and problem-specific knowledge, which was in itself multidisciplinary

This process was defined by converting a multidisciplinary perspective into transdisciplinary, where diverse knowledges were able to interact and create new meaning. Initial focus was placed on categorising individual insights, identifying patterns and themes, with this filtering process leading to a framing of the problem from the perspective of 3 core stakeholders: the worker, Stockland, and the tenant. Doing this enabled us to develop a useful and logical approach to consider the problem where we began to ideate an intervention that is feasible and distinctive for Stockland.

4. Synthesis

Consequently, the insights from our research were framed in respect to each stakeholder, in order to analyse, ideate and intervene more effectively. These stakeholders include the worker, Stockland and tenant, which we organised into a process diagram.

4.1. Worker Experience

If we're to believe that there is a 'better way to live', as is the conviction of Stockland's vision, there must be the realisation that the worker experience (see Figure 1), especially in the context of the future, is highly unique and characterised by a variety of internal and external factors. They push and pull on each other, with the built form only being a component of a broader system predominantly defined by the non-physical factors. It is largely about the work individuals do and how they're doing it, the people they're around and what those interactions feel like - not to mention how this interacts with other external experiences like family life. Therefore, it is important to not just create a better building or work structure, but instead consider the human at the centre of the problem.

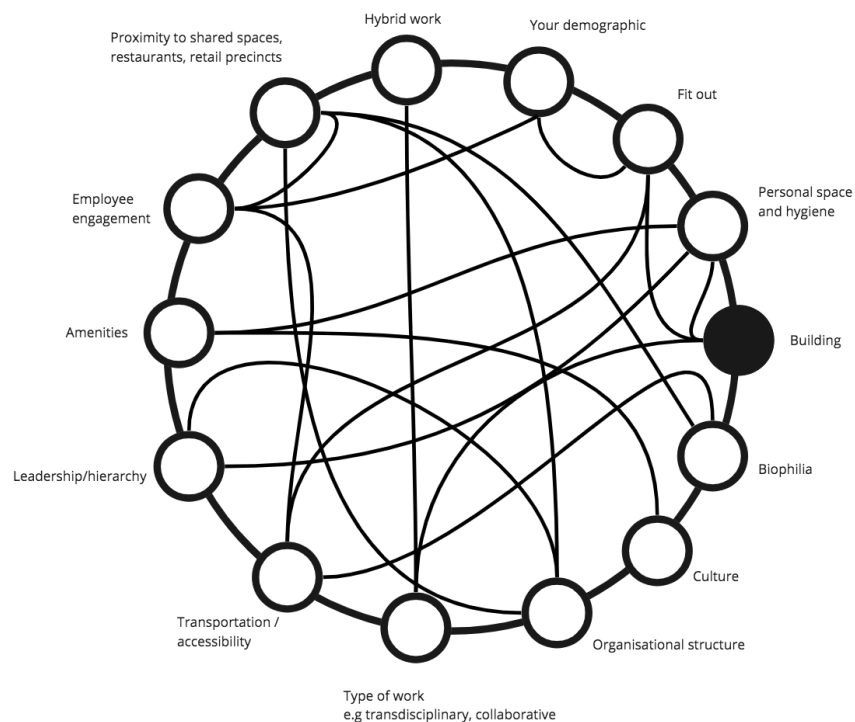


Figure 1. The worker experience.

4.2. Stockland's Influence

As per the project brief, Stockland's intention is to directly shape the worker experience in a powerful and meaningful way (see Figure 2). Currently, this influence only takes shape in the built form, which Stockland is primarily in charge of designing.

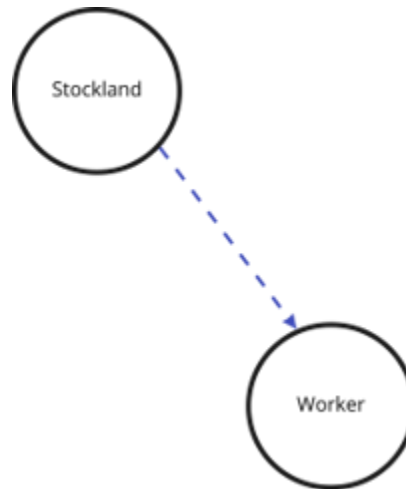


Figure 2. Stockland's influence.

4.3. Tenant's Influence

In reality, it is the tenant who holds the strongest influence over the worker (see Figure 3). This is because they provide the physical fit out and construct the non-physical experience of work, such as the culture and leadership structure.

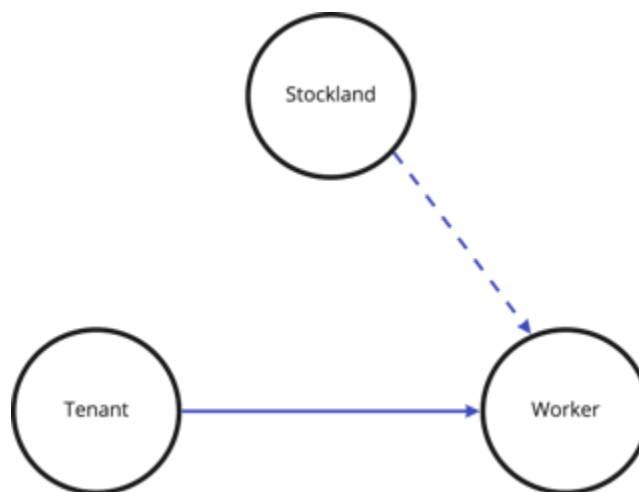


Figure 3. Tenant's influence.

4.4. Tenant-Stockland Relationship

Evidently, the best way for Stockland to influence the worker is through the tenant. Stockland's current relationship with the tenant is highly transactional and built around the lease agreement. However, if Stockland wants to create conducive worker experiences, they need to forge a collaborative tenant relationship, which becomes the key point of opportunity (see Figure 4).

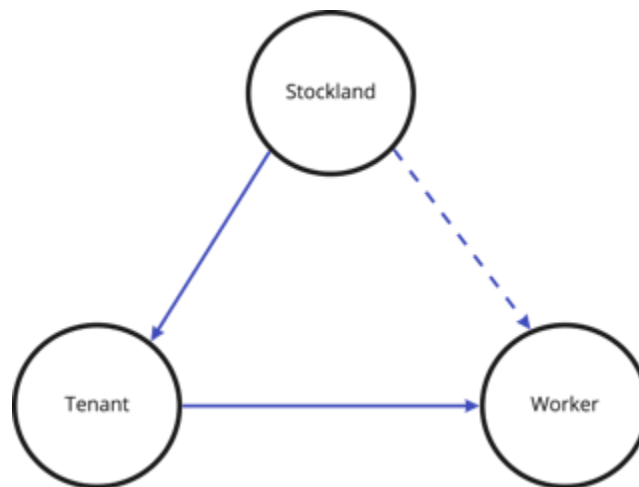


Figure 4. Stockland-tenant relationship.

5. Intervention

How do Stockland take advantage of this opportunity, understanding that there is potential to create a better way to live, not just necessarily a better building?

5.1. Action (Consultancy)

Stockland can offer each tenant and their workers a higher level of personalisation by building a stronger relationship with the tenant, where principles of co-design and iteration offer increased understanding of what a successful worker experience looks like and how it is created - it is unique to each tenant. This relationship should no longer be linear and built to meet minimum requirements, but cyclical and ongoing to push each tenant into market-leading work experiences, both physical and non-physical. Design cannot and should not be monodirectional because the user is most often the expert who holds great insight.

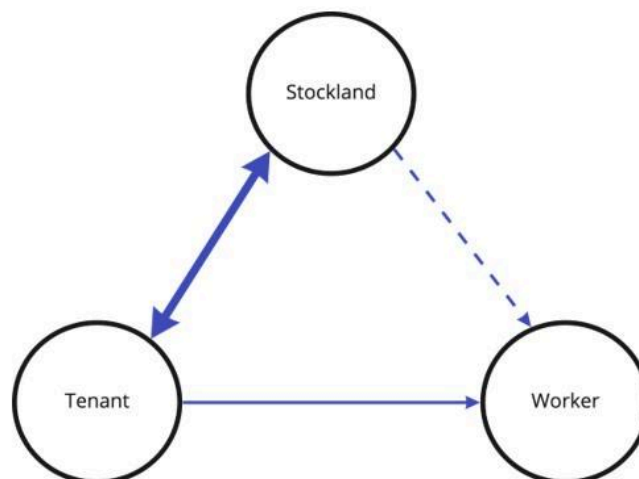


Figure 5. Intervention.

This process has been envisioned in 4-steps:

1. Stockland and the tenant work together to identify their ideal worker experience for their specific context, drawing on Stockland's expert knowledge and the tenants' understanding of their workers.

- Using co-design and transdisciplinary collaboration within Stockland, a bespoke physical space for the fit-out is developed. This will rely on an understanding of the interplay between the physical and non-physical components of work. This in turn should encourage tenants to re-evaluate aspects of their current way of working to maximise the non-physical experience they offer their workers.
- Ultimately, the spaces will then be fitted out with these tailored designs and models of work are tweaked to best take advantage of the physical space to benefit workers. Marrying needs and experience will create a holistic experience fully aware of the unique and complex nature of work.
- An ongoing relationship between Stockland and the tenant will encourage examination, ensuring an optimization of the space and enhanced productivity.

This offering infers a richer 'post-commit onboarding' as per the customer journey maps (see Figure 6) and will apply to both initial tenancies, where insights may inform the design of yet-to-be-constructed buildings, and in the tenancies that follow.

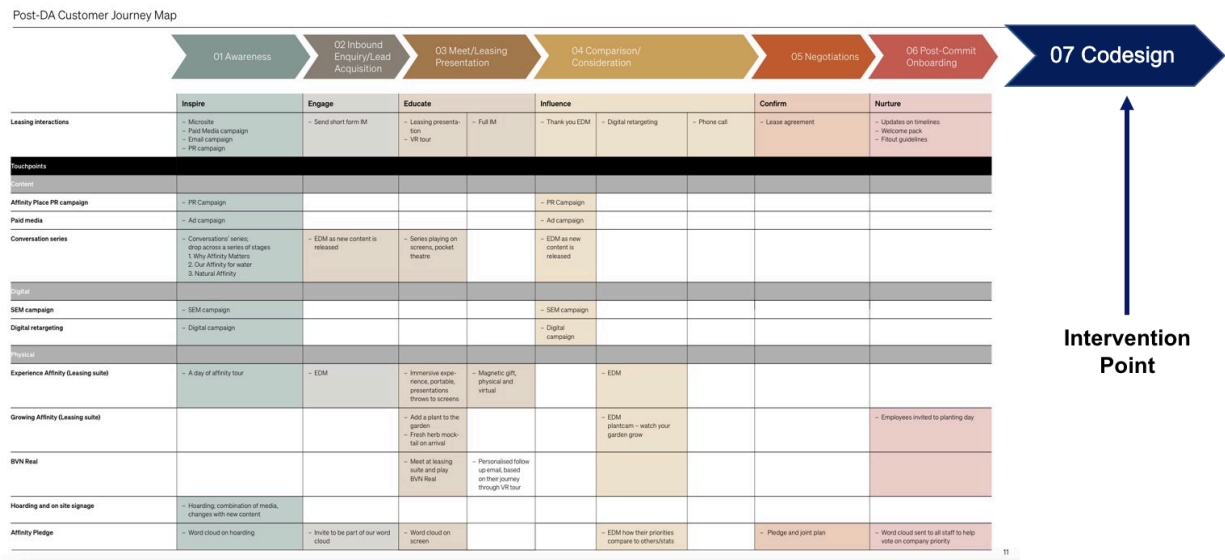


Figure 6. Intervention Point.

Higher levels of personalisation with each tenancy will offer the most desirable worker experience and ensure satisfaction. One size no longer fits all, and each organisation is seeking to optimise for their specific needs. Stockland can go beyond meeting requirements and instead maximise offerings in reference to social, sustainability, and safety offerings amongst other things.

Additionally, this makes Stockland's product and service portfolio highly adaptable - essential in building resilience in the face of an unpredictable future. Unfortunately, adaptability is practically impossible to build into the built form - the product is built and will have a lifespan of decades. Implementing this experience provides the tenants with the cutting edge and ensures 'pivotability' is achieved at every tenancy - meaning Stockland will gain a competitive edge.

In respect to business outcomes, this will:

1. Build Stockland's reputation as hands on, dedicated, familiar and high-quality.
2. Increase the chance of lease renewal due to ongoing dialogue and irreplaceable connections.
3. Boost lease lengths, which we know, are shorter and riskier than ever since the pandemic.
4. Ultimately, all of these outcomes will enhance long-term stability, success and performance at Stockland.

5.2. Risk and maximising Learning

Whilst we acknowledge that frequent relationship building is time consuming, it is important to recognise the invaluable opportunity for exponential learning that this system provides (see Figure 7). Each time Stockland collaborates with a tenant, the interventions are tested on the worker and the resulting insights inform Stockland's future relationships with tenants. It is an iterative cycle, where each rotation makes Stockland more proficient at designing effective workplaces. Again, this creates a greater service offering in the marketplace, which inspires long term growth and strengthens Stockland's competitive longevity.

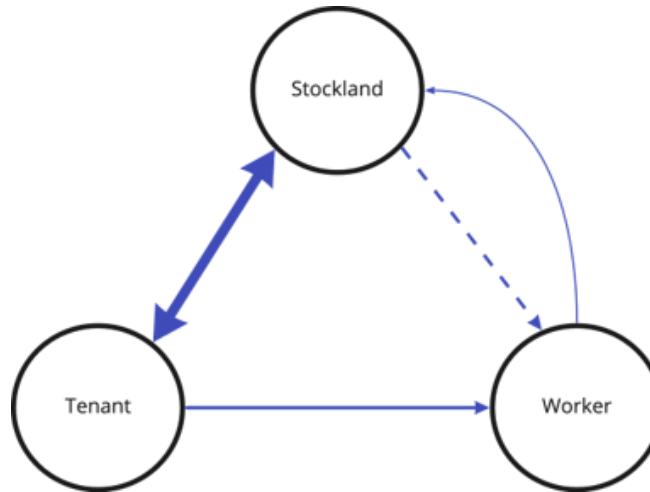


Figure 7. Exponential learning diagram.

5.3. Physical Recommendations upon Implementation

If these processes of codesign and iteration were applied within Stocklands existing pipeline, what would the physical output be?

These challenges must be approached collaboratively via a human-centred approach to understand the complex interactions between the physical and non physical. Therefore we have chosen not to provide a floorplan or render as this would have been a simple, static and inflexible solution to a problem space filled with complexity and nuance. We could not justify this knowing the future of work and the workplace will need to be flexible and adaptive for years to come, because a solution like that would be the complete opposite and would become outdated and irrelevant quite quickly. Adaptability must underscore all decisions concerning physical offerings.

With adaptability in mind, we below is a 'kit of parts' to consider in respect to physical offerings(see Figure 8) - a set of learnings that are intended to catalyse a process of experimentation. These are intended as a launching pad of possibilities, built from the transdisciplinary understanding developed from our research process, especially our own lived experience.



Figure 8. 'Kit of parts'.

Therefore, in considering adaptability in the built form, we would encourage you to look at 'hackable buildings' and how they can create longevity in the built form. Why is newer always necessary? The notion of 'hackable buildings' refers to augmenting existing structures in the form of small and pioneering interventions. For example, this could occur through actions of perforating or cutting through floors, altering floor levels or adding new spatial programs to an existing space. For example, introducing a basketball court into a previously single use office building, or, alternatively, introducing office space into an entertainment quarter (see Figure 9).

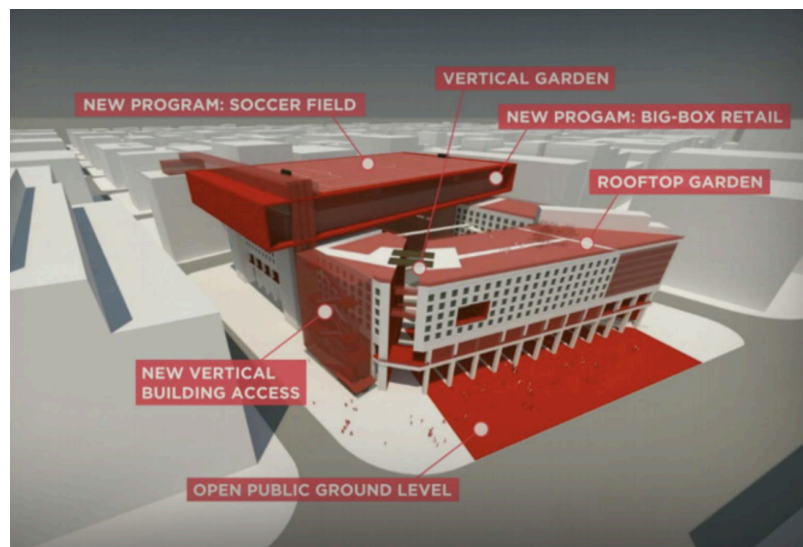


Figure 9. Hackable buildings

We would also consider Stockland to look at how spaces may be made safe not only physically but particularly psychologically, considering the bravery that will be required for future risk taking. This relates to how inclusivity and neurodiversity can be supported by physical components of work such as lighting, colour and focal points in the space

(see Figure 10). In addition, measures of hygiene should also be implemented which could include Caroma 'Smart Command'. This touch free technology requires less cleaning and maintenance and is an ecosystem of intelligent products that enable building managers to manage water use in real time (see Figure 11).

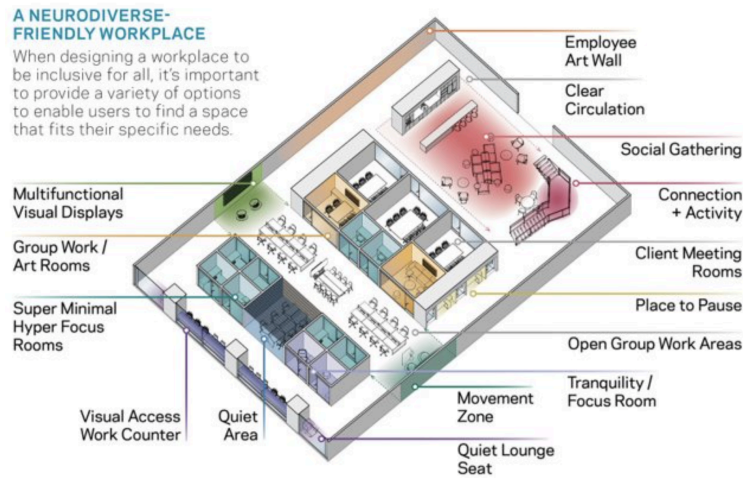


Figure 10. Accommodating neurodiversity



Figure 11. Caroma 'Smart Command'

In addition, flexible fitouts apply to how work changes on an hour by hour, day by day basis. Different types of work must be enabled by the built form and companies cannot allocate open space and hope for the best. The company must design for the conditions they wish to achieve. For example, innovation, productivity, efficiency, etc. Examples of

this include the use of lightweight and moveable furniture to facilitate both collaborative and individual work (see Figure 12) as well as maintaining flexibility in partition walls and configurations (see Figure 13).

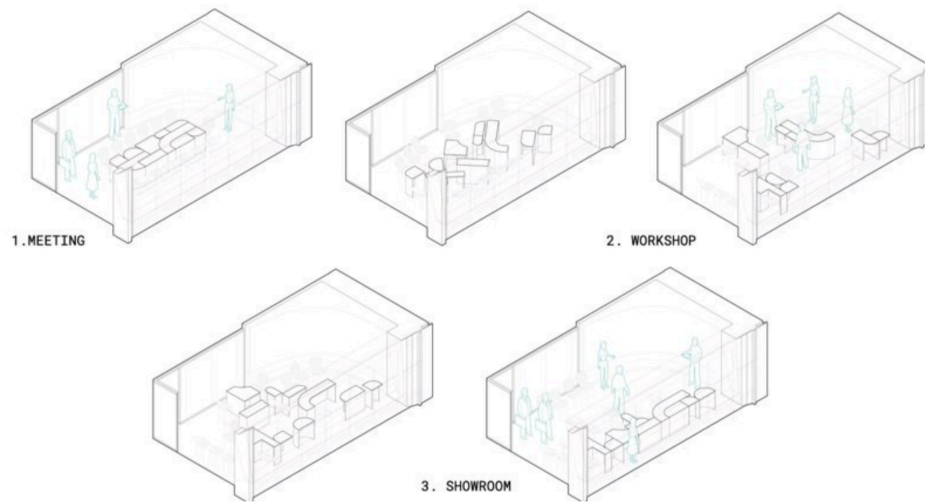


Figure 12. Lightweight & moveable furniture



Figure 13. Partition walls flexibility

Continuing on, technology must be embedded from the start of the design process. It should be used to enhance communication rather than replace it, and the workplace of the future will leverage smart connected tech to improve building performance. Currently technology is only utilised to 20% of its potential in the workplace which is a point of opportunity for Stockland to improve upon and sit at the cutting edge. Examples of this could include the use of smart lighting and heating, immersive screens and solar glass to create renewable energy (see Figure 14).

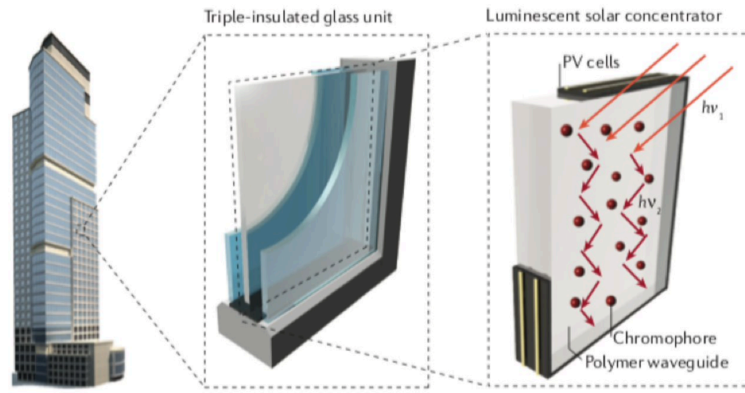


Figure 14. Solar Glass

Finally, collisions and spontaneous encounters must be enabled between people and teams - these are the so-called 'water-cooler moments' that create new knowledge. Stockland and tenants could think about adding a 'bumpability' factor to the interior. By rethinking office spaces from real estate to tools for innovation and growth, Stockland will be put in a great competitive position moving forward.

6. Implementation

6.1. Roadmap

In order to implement this intervention feasibly learning should continue to be a focus, with a tentative pilot plan important.

This may be broken down into several steps:

1. Create a working group to tackle this challenge. It should be transdisciplinary, with voices from relevant areas of the business, driven by the Placemaking and customer-focused teams.
2. Set about understanding this opportunity in more depth - what existing processes and areas of knowledge already exist. This project began this process, but it must continue to be driven internally.
3. Reassess internal processes. For example, how can processes like the C-Life in “step 6: post on-boarding commit” evolve to prioritise tenant needs?
4. Finally, choose where and with whom to pilot this initiative. We recommend M-Park, which has a closer completion date than any other projects, with potentially smaller and more familiar tenants.

6.2. Risk Mitigation

Risk is important and necessary to innovate, grow and further competitive advantage, however risk mitigation is still key in building feasibility. A comprehensive solution which maximises learning is an important focus, however there are strategies available to mitigate them.

The first potential risk is that there isn't the expected uptake in the pilot intervention for M-Park. There are two core strategies to mitigate this, the first is to hold interviews with M-Park tenants to understand why the service is not being used. Once this is completed, re-evaluate the current intervention messaging to ensure the benefits for tenants are clear. Consider why previous similar services at Stockland did not prove effective.

The second risk is that the physical recommendations 'kit of parts' we have put forward do not match with tenant needs adequately. In this scenario we suggest Stockland analyse our desk research to consider alternate fit-out and built-form arrangements to better tailor their offerings.

The third risk is that the working group chosen to drive this project are already at capacity with other projects. If this occurs, consider pushing out the pilot program to Affinity Place in North Sydney to ensure that there is enough human capital to execute the intervention. Alternatively, create a team dedicated to providing this service to tenants.

Slowly and safely build solutions, but it's important to recognise that if it isn't working, it isn't working - it is a possibility. Mitigating risk in that case must be about taking the learnings you can and finding another opportunity.

7. Summary

Our initial Stockland brief asked for something different - both in terms of approach and experience. Stockland acknowledged within the brief that in order to provide a more meaningful experience of work for employees, there needed to be change in the way the problem space was perceived. As such, this report has considered our unique positioning within the problem and demonstrated how we were able to come to a comprehensive intervention that balances practical ideas, strategies and resources with future-thinking to maximise impact.

We have recommended that Stockland leverage their existing relationship with tenants via an iterative process of codesign, which prioritises learning maximisation and provides an additional value offering. Moreover, we have offered an implementation plan, including a pilot process at M-Park, to ensure success in our solution.

With an understanding of the complex and human experience of work, Stockland can offer work environments tailored to the unique needs of each tenant, furthering the value of their current offerings. With time and consideration for iterative learning processes, the benefits for Stockland are two-fold; first, they will offer market leading value, and second, continue to build experience and strategies beyond those of their competitors.

This report has acknowledged that our suggested strategy is bold; it is different to what competitors are doing and prioritises relationship-building. However, this report has also shown the forecasted benefits of implementing our intervention. Without taking risks, and potentially failing, innovation and learning cannot occur.

Appendix

Please see this link for our Stockland deliverables, including our Insights Register and presentation in bite-sized clips:

<https://drive.google.com/drive/folders/1tVS4AgcYkxmmALNS5m79CoaF4wZZAyAg?usp=sharing>