

Service design – the next frontier in creating great workplace experiences

By Signe Adamsen & Anders Gjørup Hansen

Workplace experience is crucial for companies in today's competitive business environment. Providing good workplace experience can be a competitive advantage for companies competing for skilled employees – and the quality of workplace experience is known to correlate with employee engagement and productivity, and ultimately with customer satisfaction. Workplace services play an important role in creating good workplace experiences. This white paper is about using service design to improve and innovate workplace services. This intentional, structured and user-centered process is a new paradigm for the facilities management industry.



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Executive summary

In an ever more competitive business environment, companies increasingly recognise that creating positive workplace experiences can help them to meet the challenges of competing for talent and improving employee engagement and productivity. They understand that workplace experience can be designed to support corporate culture, objectives and strategy. For the purpose of this white paper, we define workplace experience as all the individual experiences that employees have that make up the overall experience of being at work.

Workplace services play an important role in creating good workplace experience – though the service side is neglected by many companies, who otherwise make considerable investment in the physical infrastructure, furniture and décor of their workplaces. Some companies look beyond the physical, tangible aspects of a typical workplace and try to make it fun to go to work. Workplace reception areas now host farmers' markets with invited suppliers; large meeting rooms are used to host talks by prominent speakers; there are pop-up markets, nail salons and dry cleaning facilities. Workplace services are becoming responsive and reactive. Hot chocolate is served to employees arriving on a particularly cold day – and iced tea during a heat wave. This white paper considers how workplace services – from essential services, all the way to value-added ones – contribute to providing excellent workplace experiences.

We examine how to deliver excellence in these services so that employees' workplace experience supports the company's purpose. Providing services that support company purpose is a critical concern for facilities management (FM) suppliers. In this white paper we argue that the starting point for delivering excellent workplace experience lies in understanding the company's purpose and what creates value for the customer. We believe that deliberately designed services that put the individual service user at the heart of the design process are the way to deliver the value that companies are looking for.

On the following pages, we look at why workplace experience is so important to companies today and examine the evidence showing that services play a key role in creating positive workplace experience. We then look at service design and its application in the context of workplace experience. Service design is a well-established, structured approach to delivering excellence in services. Some refer to the process as 'intentional and architected' design of services. Many companies use service design to develop or improve their products and services, but few use it to deliberately design a workplace experience that supports their objectives and creates value.

We argue that the use of service design by FM suppliers to create excellent workplace experiences that support their client's purpose is now an imperative for the industry. Companies are looking for more from their outsourcing and they are being strategic in using contracts to drive business innovation. This implies closer relationships between client and supplier, with the supplier handling a wider range of workplace services in order to be able to deliver the economies of scale, synergies and value that companies are looking for.



Informal discussion in the workplace. Tonny Dose & Martin Kjær Hansen

Introduction



Client meeting by Account Manager John Neuman

This white paper is about the importance of workplace experience – and on the role that carefully designed workplace services centred on the needs of individual users can play in improving employee motivation, engagement and productivity. Offering a positive workplace experience can help companies to attract and retain the staff they need to be competitive. Workplace services play a key role in making this a reality.

“Your employees come first. And if you treat your employees right, guess what? Your customers come back, and that makes your shareholders happy,” according to Herb Kelleher, Co-founder and former CEO of Southwest Airlines. “Start with employees and the rest follows from that”

Research indicates that a good workplace experience is as much about the intangible aspects of being at work, as it is about tangible aspects such as interior design and floorplans, decor and furnishings (Leesman, 2017). According to a seven-year assessment of workplace effectiveness, analysing survey results from 276,422 employees across 2,160 workplaces in 67 countries, only 53% of employees said their workplace enables them to work productively (Leesman, 2017). The implication is that in nearly half of workplaces there is work to be done to improve workplace experience.

Creating good workplace experience is a priority for business in most sectors and most markets because of the growing competition they face – not only for customers, but also for the talent they need to innovate and improve their products and services. Workplace experience is an increasingly important differentiator in the battle to attract skilled staff. Offering a high-quality workplace experience can be a recruitment USP – in our ever more connected world, the reputation of a particular workplace becomes common knowledge.

Good workplace experience correlates with higher employee engagement – and substantial research evidence links employee engagement with critical business outcomes such as increased return on assets, higher earnings per share, increased customer satisfaction, profitability, productivity, and fewer accidents. (Harter et al, 2009). The way employers treat employees has been shown to have a direct effect on how employees treat customers (MacLeod and Clarke, 2009).

Most companies need to improve their productivity – and positive workplace experiences can help companies do that. There is evidence of a correlation between employee subjective well-being – how they feel about their work - and productivity and performance (Bryson et al, 2014). A good workplace experience, created through physical spaces, workplace services and company culture, can reduce aspects of work that can have a negative impact – such as stress and noise – and promote positive ones – such as collaboration and enjoyment.

Most companies are in fierce competition in all their markets. Creating the right corporate culture is an important element in the wider corporate strategy mix, alongside adopting the right business models and partnerships. A large part of company culture is shaped every day when employees go to work – they meet and greet colleagues, collaborate and interact, innovate and deliver, network and socialize in the workplace.

Ultimately, workplace experience is a strategic issue – it is essential to company culture and must be deliberately designed to support wider corporate strategies and objectives.

Workplace experience – the importance of services



Providing a great welcome by receptionist Petra Stachowicz.

Most companies are well aware of the benefits that good workplace experience can bring. However, too often they invest in the physical, tangible aspects of a workplace rather than other important factors – such as workplace services. According to Leesman, with the “vast capital sums invested in refurbishment and relocation fit-out projects, leadership teams should rightfully expect them to deliver significant operational benefit. But our evidence shows this not to be the case with just 34% of projects delivering high performance results”.

Leesman’s evidence is that the highest performing workplaces are those that “place the individual’s needs at the heart of the solution.” (Leesman, 2017). “Employee centric workplace solutions – those that understand the work profile of the employee and build a responsive and respectful infrastructure around them – are the workplaces that reap the highest productivity, pride and enjoyment results”.

Survey respondents were asked to pick the most important workplace activities in order of importance and say how well they are supported. They were given a list of 21 activities, of which a third were those where the quality of facilities service is an important factor, among them: planned meetings; relaxing / taking a break; hosting visitors, clients or customers; and hosting larger group meetings or audiences. Leesman’s analysis revealed that the largest gaps between the top-performing companies in terms of workplace experience and the average were related to workplace activities where service plays a significant role.

The survey also asked people to say how important they thought different workplace facilities and services were to their experience of being at work – offering them a list of 50 options. Among the most important to employees were the following service-related features of office life: *tea, coffee and other refreshment facilities* (82.7% overall importance); *meeting rooms – small* (80.3%); *general cleanliness* (79.6%), *toilets / WC* (77.3%), *restaurant / canteen* (75.0%); *meeting rooms – large* (71.0%).

The survey also measured the overall percentage satisfaction with each physical / service feature and measured the gap in satisfaction level between the highest performing companies (in terms of workplace experience) and the average. Service-related features were again among the highest ranked in terms of the size of the gap between top companies and the average: *atrium and communal areas* (ranked 3rd out of 50 in terms of gap between high performers and average); *reception areas* (6th); *general tidiness* (7th); *general cleanliness* (ranked 10th); *hospitality services* (12th); *plants & greenery* (14th); and *meeting rooms* (18th).

Despite evidence of the importance of services to creating good workplace experience, many companies neglect or deprioritize this aspect. In this white paper, we look at deliberate service design as a powerful process that can help ensure that workplace experience supports company objectives.

What is service design thinking and how is it being applied?

There is no single widely-agreed definition of what service design is. Some argue this is a good thing, as it demonstrates that the field is still evolving. “Service design is all about making the service you deliver, useful, usable, efficient, effective and desirable”, according to the UK Design Council. For the Copenhagen Institute of Design, service design “is a “cross-disciplinary practice” that “generally results in the design of systems and processes aimed at providing a holistic service to the user.”

Service design is the application of design to innovate services. It is widely used in software and website design, and it is already well established in highly customer-focused service sectors, such as retail and tourism.

The current prominence of service design is linked to widespread adoption of ‘service dominant logic’ – an academic marketing concept that was quickly adopted in the world of business. Service dominant logic sees all transactions as services – even physical or digital products are ‘avatars’ for a service they provide to its users.

The Walt Disney Corporation is a pioneer and leading exemplar of service design in the operation of its theme parks. Disney calls the approach it takes to enhancing visitor experience ‘intentional and architected’ services. It has been applying this method in its theme parks for many decades – and established the Disney Institute to capture and share the state of the art. The success of this effort is clear from the fact that 70% of first time visitors return to Disney’s theme parks.

Disney understand that the ‘magic’ they aim to create for their visitors is achieved by relentlessly “optimising the mundane” (Ciotti, 2014). There are countless examples of ‘tweaks’ made to the experience they offer based on feedback and close observation of their visitors during their visits.

One example: Disney staff found that – despite clear signage – often a young child will wait with a parent to go on a ride, only to get to the front and find out he or she isn’t tall enough. Staff now hand out a special pass when this happens that allows the child to skip to the front of the line on his or her next ride.

Another example of Disney paying close attention to every step of the customer journey related to the very end of a visit. Observation and feedback revealed that many guests had problems finding their cars when leaving on trams. In response, tram drivers now record the parking areas they covered each morning so guests simply have to say the time they arrived and the tram drivers know where they parked.

The authors of the influential book *This is Service Design Thinking* (Stickdorn, 2010) defined five principles, among them that service design should be: user-centered – with services experienced through the customer’s eyes; co-creative – with all stakeholders included in the service design process, and; holistic – with the entire environment of a service considered.

The service design process typically has four activities: **research**, centred on user experience, capturing the views of all the different stakeholders on how they experience a service (before, during and after); **solution design**, where service concepts are co-created by people from all different levels in the 'eco-system' of the service; **prototyping**, where service innovation ideas are made as tangible as possible with a limited cost and then quickly tested; and, finally, **implementation**, where service concepts are made real and tested in a real situation to see if they work.

It is widely accepted that "one size does not fit all" when it comes to service – services must be created that are targeted to meet the needs of different kinds of users. Similarly, there is no 'one size' when it comes to applying a service design process. By necessity it needs to be unique to the context where it is being applied. In the next section, we look at ways that service design thinking can be applied to improve workplace experience.

Using service design to transform workplace experience

Service design in the context of workplace experience is a mindset and a framework for creating and innovating great employee experiences. As discussed in the introduction, workplace experience is a new and important area of competition between companies for two main reasons; firstly, to be competitive companies need to get the best from their employees – and workplace experience has a key role in this; and, secondly, because workplace experience helps to attract and retain skilled people – it can be a key differentiator as companies compete for talent.

So what is excellence when it comes to workplace experience? Finding out what this means for a particular company – and for the different kinds of people it employs – is the purpose of the research phase, which typically begins the service design process.

A good place to start is by gathering any research that has already been done as well as all any data that a company collects related to workplace experience. Workplace data will usually be gathered by different teams within the company and even by external providers: the HR team will have employee feedback and survey data, the buildings and facilities team on cleaning and use of different areas, catering on food and refreshments, IT on use of technology and so on. For a FM supplier doing service design, the data collection process should include a review of company publications and its website to understand the 'company DNA', its purpose and objectives, and its ethos and corporate culture.

The next step is to use classic research methods – interviews, observation, surveys and quantitative data capture – to build up a picture of the workplace and the people using it. It might be tempting to rely on interviews and focus groups alone, but qualitative data of this kind can be affected by a range of factors and biases, such as 'social norm editing', where people omit saying (negative) things as they may reflect badly on them. A mix of research methods is important to use so you can triangulate, cross check and refine your findings and understanding.

Observation is important. Simple ethnographic research can be carried out with an observer working as an intern for a number of days. By watching people, studying body language, gesture and habits, you build up a complete picture of the workplace and the people. You are then able to understand the routine of the different kinds of employee and visualise their work journey. You can identify what aspects of the workplace experience hinder their work and start to think about how to make things easier for them.

Identifying workplace 'personas' or archetypes is a key output from the research phase. Archetypes are a useful way of segmenting employees into types based on their particular behaviour patterns – some roles require more collaboration with colleagues than others (with more need for meeting rooms or informal break out space), some roles require focused individual effort, some require more travel (and hot desks) and so on. Creating archetypes helps you look beyond the data and empathise with the different types of employees and step into their shoes.



Making lunch part of the workplace experience by chef Luc Goris

Some typical office archetypes include: 'collaborator', 'nomad', 'supporter' and 'independent'. Interestingly, if you have well-developed personas, employees often start to use the terminology and see themselves as belonging to one or other persona.

The next stage in a typical research process within service design is to map workplace journeys for each persona – identifying all the service touchpoints and sub touchpoints – and use workshops or interviews with typical employees for each persona to find out what they want from each interaction.

The accepted definition of a 'touchpoint' is any point of contact between a user and a service provider (Gogia, 2013). Touchpoints exist across physical or virtual spaces that can be either fixed or dynamic. Managing the user journey across service touchpoints is of critical importance, because users experience end-to-end journeys and not only through single touchpoints. As one subject-matter expert put it, "your brand is the sum of all "touchpoints" and, sometimes, one touch-point can ruin everything" (Bechmann, 2016). Research indicates that 25% of users will defect after one bad experience (McKinsey, 2016).

Understanding what each kind of employee needs and their actual experience of existing workplace services helps you identify ways to innovate. By asking employees to give an emotional score for both their actual experience at a touchpoint and their desired experience you can identify 'satisfaction gaps'. If the gap is large then this is an opportunity to innovate and improve.

Pulling all the research and analysis together, you can now develop a service concept covering every touchpoint. It's important to co-create the service innovations with representatives of the different employee groups if at all possible. Those responsible for service management then translate the service concept into operating procedures and develop appropriate frontline staff training and communications to make the concept real. Observation and feedback mechanisms – such as staff surveys – should be used to track satisfaction and make changes and improvements as needed.

Service design is used by many companies in their relationships with their customers – they endlessly innovate to improve their products and services – but is not so often applied within a company to creating an optimal employee workplace experience. This may be because companies prioritise the revenue generating side of their business; or because of the multi-disciplinary nature of service design requires the participation of teams from across the business - including HR, IT, facilities, catering etc – that may not be used to working together.

According to Leesman: "Great organisations build businesses that enable their employees to do their best. And physical and virtual infrastructures are integral in this equation, so establishing a clearly communicated workplace strategy helps [...] get to what is really going to make a difference for your business. So, start by working out what your business is looking to achieve."

Service design is a new paradigm for outsourced services

Service design has become a business imperative in the FM industry. In order to design, deliver and manage excellent service, service providers must apply a structured and architected service design approach to understand and evaluate how the people work – their purpose, their work styles and user journeys, and the services and touch points they require to fulfil their work assignments.

The FM industry is maturing and many companies now have experience of outsourcing services through several contract cycles. While cost savings from outsourcing are still a key criteria in awarding contracts, companies are increasingly looking for more from their FM service provider (Deloitte, 2016), such as supply chain simplification and transformation. Outsourcing is becoming more strategic. “Relationships between sourcing firms and outsourcing providers are evolving from being transactional towards a spectrum of relationships based on various degrees of interdependence” (CIFS et al, 2016).

FM providers are increasingly being expected to go above and beyond conventional FM services and build on these offerings to add even greater value. In the future, service providers will need to prioritize the design of a service delivery system that is built on an in-depth understanding of what creates value from a users’ perspective and that is aligned with buyers’ willingness to pay (CIFS et al, 2016). Surveyed service professionals indicate that service culture, service quality and customer experience are the most underdeveloped areas in current service management models with the greatest potential for improvement (ibid).

FM providers now need to offer service-centric approaches that reflect, support and improve their clients’ strategic objectives and brand (Coenen, and von Felten, 2012). Trends in facilities management of workplace services point towards a new paradigm (CIFS et al, 2016). In this new paradigm, services will be much more tailored, targeted, responsive and dynamic towards users’ needs, requiring collaborative and integrated solutions. “In order to meet these needs, relationships – both on the front and back-end – will become a defining attribute of service management in the future as the industry continues to move towards a value-oriented and outcome-based approach”.



Creating great workplace moments by Helene Lindeman.

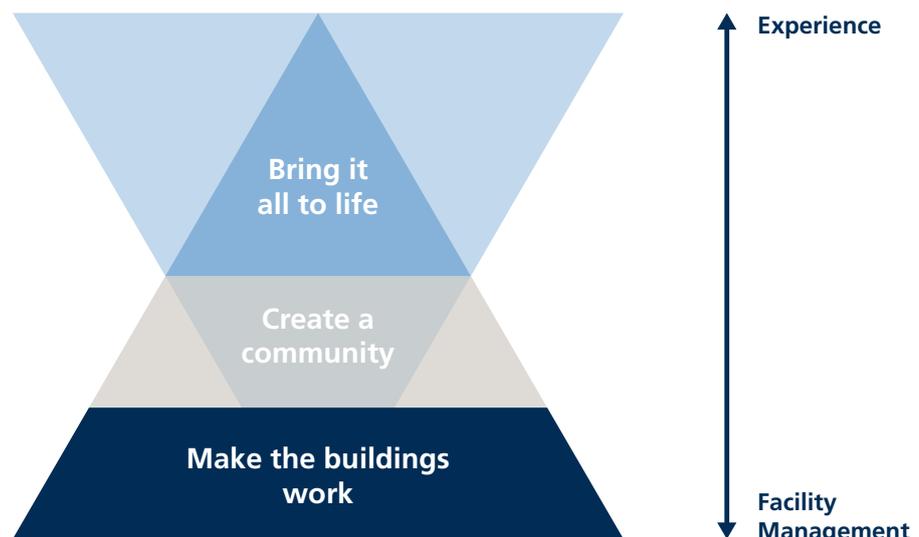
Workplace experience is increasingly important for companies today and has become a strategic priority. The physical infrastructure of the workplace is too often the main focus of a company's efforts to create a good workplace experience for their employees. Workplace services can be the neglected component of employee experience.

In the context of outsourcing and FM, contributing to creating good workplace experiences is a key priority for suppliers. We believe that using service design thinking to optimise workplace experience raises the bar in outsourcing and is a new imperative for the FM industry.

The time is right for this evolution. Companies are becoming more strategic in their use of outsourcing, often seeking additional value beyond cost savings, such as supply chain simplification and transformation. The customer-supplier relationship is maturing too, with outsourcing moving from being purely transactional to becoming about genuine partnership and interdependence.

FM suppliers working with their customers to optimise workplace experience is part of this evolution. Suppliers need to be entrusted to operate multiple workplace services in order to look for economies of scale, be creative in finding synergies and savings, and to unlock the full value for their customers.

MOVING FROM FM TO EXPERIENCE



Traditional FM services are related to simply managing buildings and facilities. Today, FM suppliers are increasingly focused on workplace experience – from creating communities at work, to bringing the workplace to life.

The implication of companies seeing FM outsourcing as way to achieve strategic business objectives is that the relationship between client and supplier will necessarily have to evolve and deepen into meaningful, interdependent partnerships. These partnerships are a requirement to be able to deliver a significant impact on workplace experience. FM suppliers need to be entrusted with delivering multiple services covering many of the touchpoints in employees' workplace journeys to be able to deliver economies of scale, synergies and other benefits of service-designed workplace experience.

Increasingly, companies are seeing the logic of having a single FM supplier provide a range of facilities services – cleaning, security, reception, catering and buildings management. Companies benefit from having fewer contracts to manage, and the FM supplier has scope to offer additional cost savings, by having a single services manager covering all the services.

Other synergies and benefits are also possible, such as flexibility, as staff from one service (e.g. reception) can be redeployed to another (e.g. preparing meeting rooms) as the demand shifts during the work day. A single supplier can also offer a continuity of approach to service that reinforces a company's desired corporate culture, workplace experience and brand. A FM supplier for multiple services can deploy systems and procedures that cut across traditional service silos and allow service staff to be responsive and reactive to employees' needs whatever the service involved. Ultimately, the more services that are managed, the more scope there is for creativity to find synergies, unlock savings and add value.

Technology is a big enabler that FM suppliers can use to improve workplace experience, allowing people to easily report their needs and any problems. Sensors in toilets and meeting rooms can allow service to be driven by usage rather than schedule. While technology is important for improving workplace services, it is the people delivering the services that bring it to life and provide the human touch. Skilled and well-trained frontline service staff are needed to ensure those services contribute to making the workplace somewhere that supports employees' purpose, creates a sense of communities, promotes company culture, and contributes to the bottom line.

Ultimately, great 'workplace experience management' is built on a thorough understanding of what is creating value for the customer and how to engage frontline employees in the delivery process.

Conclusion



Working with Touchpoints in Cleaning Services by Ana Rodriguez Diaz.

Workplace experience is the sum of all the experiences an employee has during the work day. Promoting positive workplace experience is increasingly important for companies today – it has become a strategic priority because of the need to attract and retain talent, and because of the established links between good workplace experience and improved productivity and customer satisfaction.

However, the physical infrastructure of the workplace is too often the main focus of a company's efforts to create a good workplace experience for their employees. Workplace services can be the neglected component of employee experience. Where workplace experience is good, employees enjoy coming to work, they feel part of a community, they feel enabled to collaborate with others and able to focus on their own tasks. Workplace services play a key role in making these experiences possible – and in bringing the workplace to life.

For FM suppliers, contributing to creating good workplace experiences for their clients is now a key priority. This white paper has explored how to do that through service design, which puts the individual employees' needs and creating value for the client at the heart of the process. We believe that using service design thinking to optimise workplace experience raises the bar in outsourcing and is a new imperative for the FM industry.

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