

**IT'S NOT  
ABOUT THE  
BUILDING**

The One Shelley Street Project



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# PREFACE

Implementing the concept of Activity Based Working is an organisational journey which involves deciding to what extent we can trust people and how to develop and create trust relationships. For managers, this means letting go of line-of-sight-management and embracing relational leadership and learning to manage on output. For staff, it means challenging their existing daily norms and routines in how they go about their work.

Activity Based Working goes beyond building a great new environment. The trick for organisations is to look beyond the potential cost reductions (and yes, we do only use our desk 45-65% of our time at work). Activity Based Working is about collaboration, empowerment, leadership visibility and the mutual relationship between productivity and enjoying one's work.

Macquarie's Banking and Financial Services Group (BFS) was looking for new premises that matched its identity. We are proud that Macquarie's search for a guide for their journey towards a new way of working led to our company. By October 2009, all the staff of Macquarie BFS had moved to One Shelley Street. Macquarie was the first company in Australia to implement Activity Based Working.

At the same time, Veldhoen + Company decided to set up a local branch in Sydney to support the Australia/New Zealand market, as we are confident that Macquarie's exemplary way of working will be followed by others.

**Sydney, December 2010**

**Luc Kamperman**  
**Managing Partner**  
**Veldhoen + Company, Australia**





1



**A WORK-  
PLACE  
FOR  
GROWN-  
UPS**



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# T

his book tells two stories. One story is about how Veldhoen + Company developed a revolutionary new approach to the workplace which they call Activity Based Working (ABW).

The other is that of One Shelley Street, the headquarters of Macquarie Group's Banking and Financial Services Division in Sydney which opened in 2009.

But first, a couple of questions.

Ours is a beautiful world. But how capable are we, living and working in this world, to take full advantage of it? Information technology is changing rapidly, but how clearly do we see the challenges of this 'permanent revolution'?

These two questions – among many others – have driven Veldhoen + Company both in the quest for their own identity and values as strategic workplace consultants, but primarily in the way they have developed new concepts for the way organisations work.

The internet's role in our lives is growing. It is on the internet that you are compared with your competitors and it is through the internet that the market has become more transparent than ever. Consumers can find information more easily. They are more articulate and consequently more demanding. What is required these days is speed of action and flexibility while retaining the personal touch. This demands a future-oriented manner of serving clients, based on confidence and a multi-channel approach.

The internet has also spawned a new generation of workers accustomed to working wherever they happen to be or where they choose to be. For the younger ones, this is the only way of working they have ever known. Labour relations are increasingly based on results and contracts are flexible. The number of self-employed entrepreneurs is growing faster than ever. At the same time, commitment to your organisation and its image is becoming more important.



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We have become used to using the internet as a tool for communication in both our business and our social lives. Virtual networks and meetings are just as much part of our private and working lives as physical encounters.

As a result, relationships with clients and with employees have changed. As technology progresses, social responsibility and sustainability become topics that must be a real concern for every organisation. One crucial implication of these changes is that we have to re-think the way we work – because if the way we work and the way we need to live are not consonant, our world will become unsustainable in every sense of the word.

**“Create the best circumstances for that activity and the employee will be able to carry it out to the best of his or her ability. That means creating a sense of harmony, simplicity and empowerment for your employees.”**

**[Erik Veldhoen]**



# A

ctivity Based Working is a philosophy to make work more effective and efficient, but also more enjoyable for both the organisation and the employee. This vision is realised by focussing on the employee and giving him the freedom (within boundaries) to decide for himself how to work, where to work, when to work, the tools to use and with whom to collaborate to get his work done – all focussed on the best outcome for the client.

Until recently, every employee always had his or her own individual workplace.

Veldhoen + Company believe in breaking with this convention. How? By making offices elastic and linking different spaces to different activities. Why? Because, generally speaking, all of those fixed workplaces are actually used for only 50% of the time. And that's a huge waste, not just in terms of square metres and sustainability, but also in operating costs. If only in financial terms, there are opportunities for substantial savings in breaking with the convention of individualised work spaces.

But there's even more. For example, does this mean that people will become less important? Far from it. People perform better precisely because they first take a look at the entire spectrum of their work. And then they gear all the facilities people need. Both in and outside the office.

More practically, ABW is a concept which recognises that through the course of any day, people engage in many different activities and that they need different types of work settings to accommodate these activities.

ABW says goodbye to unnecessary rules and procedures, to permanent workplaces and to rigid working hours. ABW promotes knowledge-sharing, faster and better collaboration and personal accountability. It is an approach that encourages entrepreneurship. These aspects make work more enjoyable and more challenging – ultimately, improving productivity and professional service to clients.

Since 1994, Veldhoen + Company have helped organisations to develop and implement new work styles. Each of these programs was innovative and also unique in being tailored to the organisational goals and working culture. But whatever the individual solutions for individual clients, they all have one thing in common: they are based on giving employees freedom.

One of the earliest adopters of ABW was Interpolis, the insurance company in the Netherlands which created a remarkable workplace based on ABW principles back in 1996. A second ABW revolution took place in 2002. These stories – making up the 'Two Party Revolution' – can be found in the Veldhoen publication, Noffice No. 17.

The success of Interpolis was overwhelming. On a yearly basis it receives thousands of visitors, not just from the Netherlands, but from all over the world, keen to see this revolutionary workplace for themselves.

To appreciate the significance of Interpolis, let's dwell for a moment on the evolution of the workplace.

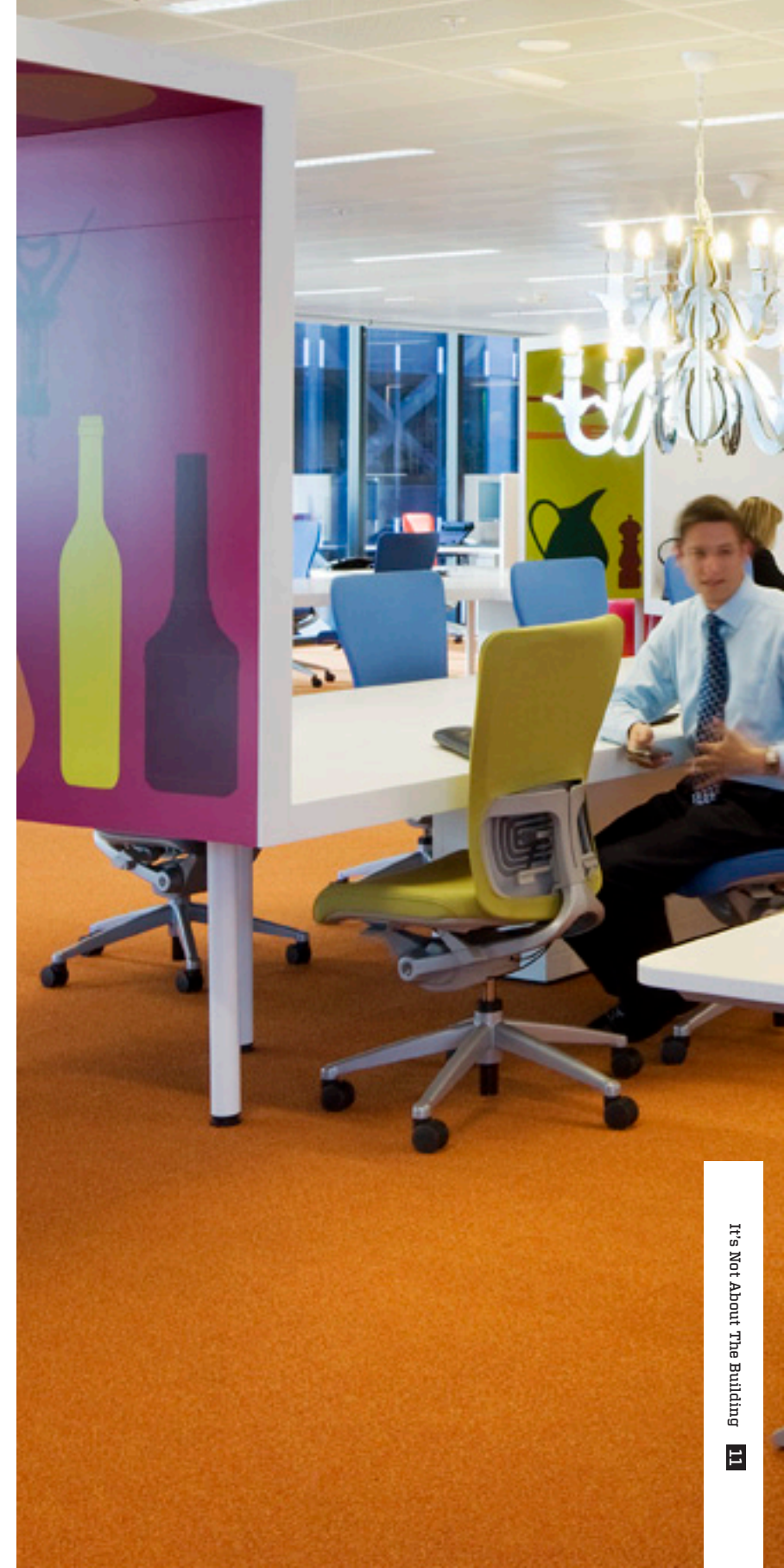
Until quite recently, the 'white collar' workplace was really simply another version of the 'blue collar' industrial workplace and modelled on the principles of mass production and scientific management often described as Taylorism, after the American industrial engineer, Frederick Winslow Taylor (d. 1915) who devised the theory. But the post-industrial workplace is now moving rapidly away from Taylorism, which treats every employee as being exactly the same and as though they were parts of a machine which worked best when it was regular, orderly and efficient (with the emphasis on efficiency rather than creativity). Hence, everyone worked together in the same place, at the same time and in the same way with their productivity measured (as the word implies) by their output.

Now, consider what happens if we reverse the principles of Taylorism, especially in the light of the technological revolution with its astonishing new range of choices for communication and how we work.

Already we have seen the advent of 'open-plan' which saw the abolition of cellular space to be replaced by open, non-territorial space. This saw the death of the regimented office with its mix of strict rows of desks and enclosed offices, resulting in a far more pleasant work environment, better communication and more effective work relationships – not to mention cost-savings in office fit-outs. The introduction of open-plan began a process which has now largely done away with the spatial, temporal and psychological 'silos' of the Taylorist office.

It was quickly realised, however, that this was not an either-or proposition: either an enclosed environment or a fully open one. What mattered was the activity taking place and so what was needed was a spatial organisation which facilitated specific activities. Some, for example, needed enclosure for acoustic reasons – private meetings or the need to concentrate away from the hustle and bustle of an open-plan office. At the same time, it began to be realised that the workplace was 'multi-cultural' in the widest sense of the word – a mix of ages, genders, ethnicities and personalities, all of whom brought with them different work styles and who worked best when given the opportunity to work in their own particular style.

**“ABW says goodbye to unnecessary rules and procedures, to permanent workplaces and to regular working hours.”**







# f r e e d o m .

Consider what happens if we take advantage of the new technology with its attendant spatial and temporal liberation enabling people to work anywhere at any time. Consider what happens if we trust staff to do their work in the way which best suits them. Consider what happens if the organisation empowers employees to take control of how they work and gives them the responsibility to fulfil their roles within the business. Consider how this new freedom and respect would bolster the confidence and professional self-esteem of staff. Consider how the business might benefit from liberating and accessing the creativity of all the people on staff and the creative synergy of bringing collaborative teams together to frame professional challenges and develop solutions. Consider how transparency and openness help to ensure that everyone is working off the same page with all the organisational benefits that brings.

One simple way of describing this new work environment is to say that it is a place for grown-ups. The Taylorist office treated people like children who could not be trusted to work independently and without supervision or strict protocols with pre-determined outcomes. The new office treats its staff like grown-ups and the overwhelming evidence from examples such as Macquarie is that such workplaces not only develop a culture of mature professionalism, but generate measurable benefits for productivity, profitability and cost-savings (for example, by minimising churn costs).

The new workplace gives its workers freedom. But let's not forget that with freedom comes responsibility and accountability. Indeed, one definition (by the great educational philosopher, Caleb Gattegno) of the mature human being is that he is independent, responsible and autonomous. Wouldn't any CEO like to think that his workforce is grown-up, as distinct from being infantile? Wouldn't he assume that there would be huge benefits from a grown-up workforce? And wouldn't a worthwhile future employee prefer to work in an organisation of grown-ups rather than children, and where he would be treated as a grown-up?

Not only does the new 'grown-up' workplace with its independent, responsible, accountable and creative staff enjoy a marked competitive advantage, it also attracts and retains such staff.

These are some of the considerations underpinning the philosophy of ABW. Now let's look at the journey that Macquarie took and what happened as a result.

**“One simple way of describing this new work environment is to say that it is a **place** for grown-ups.”**





## Philip Ross Being Digital: The Rise of Mobile Working

**Philip Ross is CEO of the Cordless Group. He provided Macquarie's Banking and Financial Services Group with advice on emerging technologies for communication and their use at One Shelley Street. Here he backgrounds the new digital work environment.**

New digital technology is emerging that will change the nature of how, why and where work is done. The rise of a new breed of technology is challenging not just the world we live in, but is beginning to re-define the very construct of the organisation. Becoming digital will change that equilibrium, resulting in a new relationship between 'man and machine', between the city and suburb, and between employer and employee.

Being analogue wasn't much fun. For the past 120 years office workers have been tied to desks, tethered by the heavy, cabled technology that enabled their usually repetitive work to take place. Taylor's time and motion was the predominant view of efficiency and, ever since Alexander Graham Bell invented the telephone in the 1870s, people have been tied to furniture for work and communication. The desk and the private office became synonymous with status, territory and belonging in the organisation.

But slowly things have started to change. In the 1990s, email, the laptop and the cell phone became the tools for a new mobile elite. This was followed by the growth of the internet, with its re-definition of telephony, networks and collaboration. Then we witnessed wireless networks, mobility and ubiquity. Now we have digital flow, data centres and the cloud. Digital technology is re-writing the rules.

So far these rules have applied to the edges of corporate life – better ways to communicate, mobile email and the Blackberry revolution, multimedia and multifunctional devices. Also, faster connections and speed of communication have changed how we work to some extent. But now, the opportunity exists to look at 'digital' as the enabler for a different way of working – one where people do not have to commute into a 'dumb container for work'. The digital office is being defined.

The break between work and the desk can now be established, and with it the allocation in a workplace of one person to one desk. The digital world assumes that you can connect from anywhere. Today from a laptop and 'smart' phone, tomorrow from any device through a browser. The combination of wireless network connectivity, high performance mobile devices, high speed networks, new software-led connectivity and 'unified' messaging tools have, in effect, sounded the death knell of the 'desk phone' and the desktop personal computer.

The biggest technological barrier had been paper, but even here its half-life is diminishing and while people will still always use paper, it need not be stored and certainly not kept as paper at the desk.

Digital technology will take data – and soon applications – out of the office altogether. The rise of the corporate data centre will now be superseded by cloud computing, as applications, processing and data are managed via the internet in anonymous grid or utility computing farms managed by the likes of Google, Microsoft, Amazon and HP. The efficiency of these spaces with their 'blades' and shared resources through 'virtualisation' techniques, will challenge any corporate solution on cost, efficiency and green credentials.

And so the digital revolution will take almost everything out of the corporate office. In the future, we will, in effect, occupy (from a digital perspective) an empty building, devoid of the computing power that keeps the corporate pulse. And with the migration to the cloud will come the realisation that work will be increasingly done from anywhere, at any time. The necessity to co-locate in a downtown office building, sitting adjacent to departmental colleagues to carry out a task will be seen as yesterday's approach to work in the analogue era.

So, with mobility and new devices, digital flow and the cloud, what is left for the office? The rise of digital does not mean the decline of bricks and mortar. People will still need to work, and need a place for work that is not the home. Collaboration will require people to co-habit. And there will always be the need for a narrative environment.

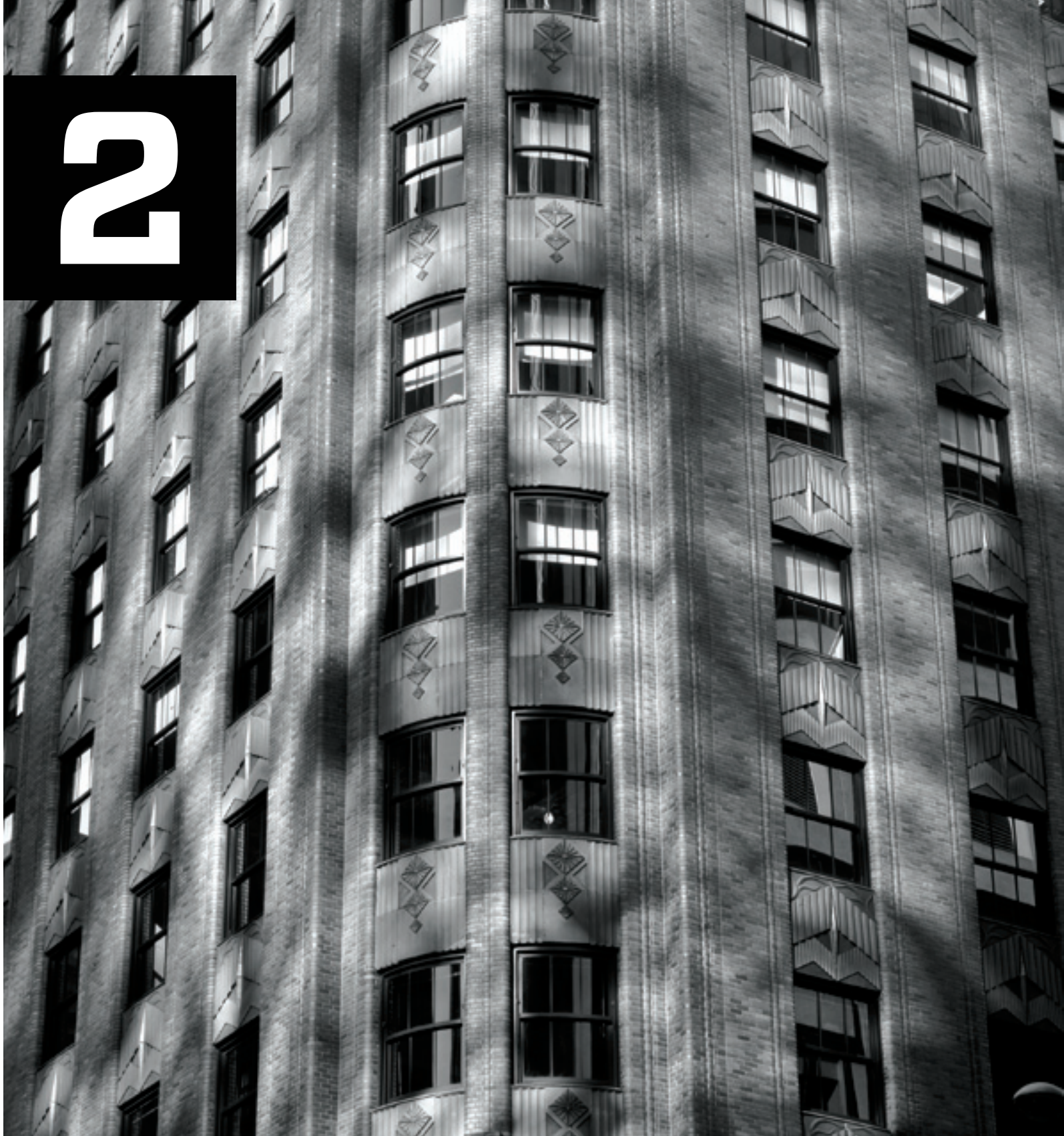
And as digital develops, the technology becomes embedded within buildings so that they become real-time assets, allowing utilisation to be fine-tuned and controls managed to offset carbon and achieve sustainable best practice. For the company, this approach can not only allow the best star ratings, but remove costs in both capex and opex from the business.

The digital revolution will not slow down. New devices, city-wide WiMax networks and a host of other innovations will continue to allow innovation and change. The next step change will see location-aware systems, and services will combine with knowledge management software and real-time buildings to actually bring people together when they are in the same space and have something to talk about. Engineering the chance encounters in tomorrow's digital organisation will not only remove down time, but become the catalyst for an acceleration of the speed of corporate activity and human interaction.

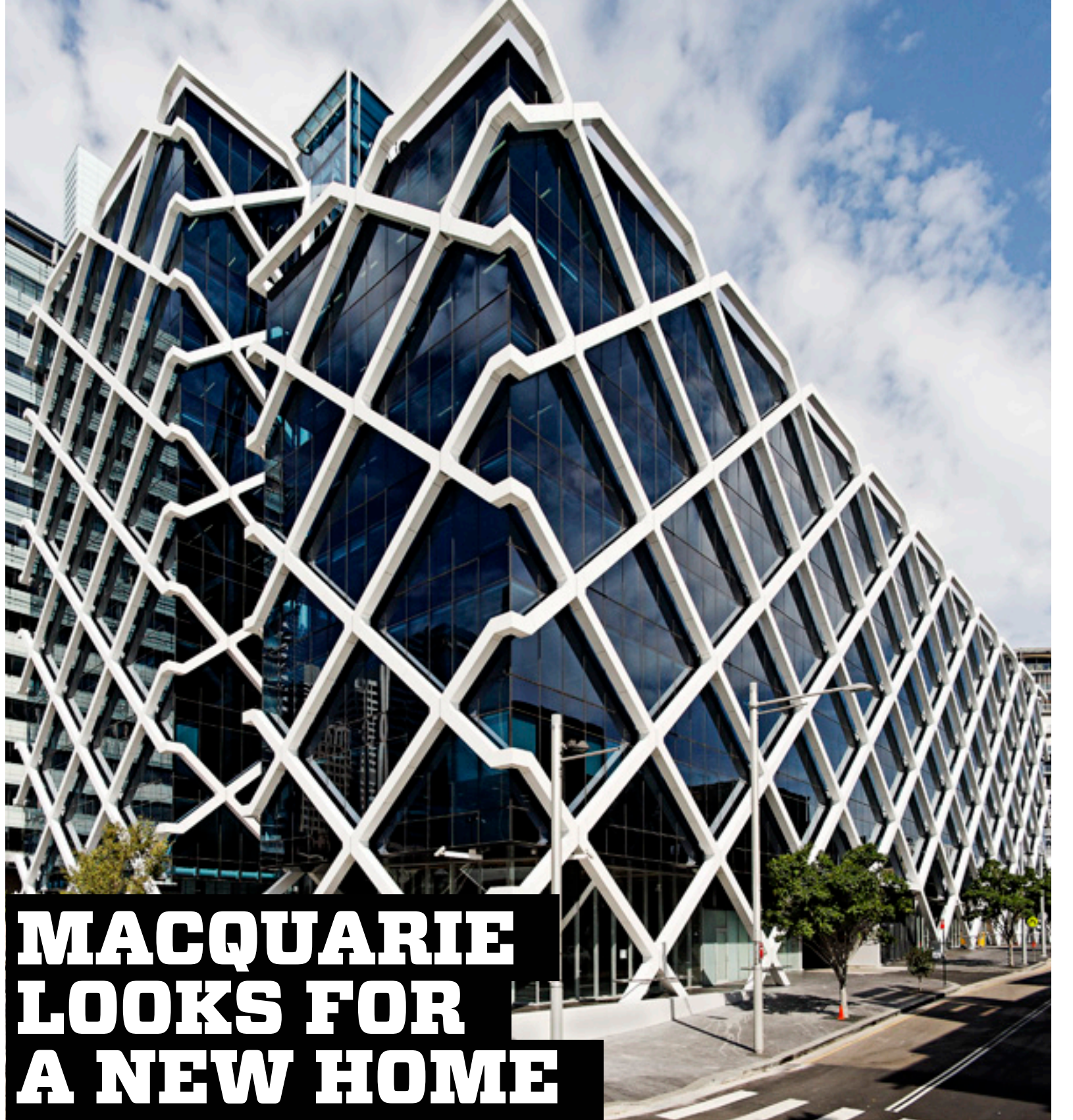
The concept of Activity Based Working is the brave and courageous first step to re-defining work for the digital age.



2



**MACQUARIE  
LOOKS FOR  
A NEW HOME**





# h

When Macquarie's Banking and Financial Services Group (BFS) began the search for a new building, Macquarie Group was almost forty years old, having started in January 1970 with a staff of three. The entire organisation now numbers over 15,000 staff spread across 28 countries, with more than 3000 staff in BFS. It was always in the nature of Macquarie to aim to align a building in which it worked with the goals and values of the organisation. It is a measure of Macquarie's forward-thinking to note that this long-term strategy to embody the brand in the building or work space has only become widespread amongst the general business community over the last ten years.

Looking for new premises, then, afforded the opportunity to thoroughly review how BFS worked. As one staff member comments, it "was the first time we had really had a chance to ask what, if we had a blank sheet of paper, would our building look like?"



# me

One thing was agreed from the beginning – the need for large, uninterrupted floor plates. Add to this the aspiration for a truly healthy building – a sustainable building – and the broad outlines of what Macquarie was looking for were in place.

When Macquarie finally looked at One Shelley Street, the developers, Brookfield Multiplex, were in the process of applying to the Sydney City Council to have the building re-zoned from residential to commercial. The site was effectively two buildings, the eastern building higher than the western, and not only were the foundations in place, but the building was already two floors up out of the ground. The story of how this building was re-shaped to suit Macquarie's purposes is a complex one. In short, though, the solution came from the architects, Fitzpatrick + Partners, who proposed the building's distinctive extruded white steel lattice frame – the diagrid – which bears the whole load of the building, enabling the interiors to be column-free with the two buildings linked by an atrium.

Macquarie's BFS had found its building and it met the business' three principal requirements: a good price point, the right location and staff amenity.

In the meantime, Macquarie had set a series of questions to be asked in order to clarify exactly what it was looking for, the key one being: 'Why would we want an open building in the first place?'

This was a process which ended with isolating four guiding principles for how the building would be shaped to facilitate an emerging new work culture:

- A healthy building
- A flexible building
- The 'Tree', an integrated internal network of work spaces and meeting rooms
- Follow-me technology

It was now time to begin a global search for benchmarks against which to measure what this new workplace needed to be. This search would bring Veldhoen + Company's discovery into Activity Based Working (ABW) and Macquarie together.

The end result in the case of Shelley Street is a high performance building with an excellent exterior. Macquarie has achieved a workplace environment that adds real value to a business. The building is the business.





## Peter Maher It's Not About The Building

**Peter Maher is Group Head of the Banking and Financial Services Group.**

### **What motivated the move to One Shelley Street?**

We had been in our existing facility for quite a long time and there were lease renewals coming up. So, we started to look around three to four years prior to Shelley Street becoming available. What we were thinking from a leadership team point of view was how you could actually create the next generation of working space, although we didn't use that sort of language. But our previous office building had relatively small floor plates and was a very traditional building in that it had lots of partitions. Our business, from a retail point of view, was much more likely to have quite big teams that generally need to work in cooperation with each other. A starting point in terms of looking around at different buildings was to survey the different teams and they said they really liked that part of town because of the access to public transport, having Wynyard as a hub, and Circular Quay. So, we started to look at a similar sort of distance from Wynyard in particular. And what became apparent was that there weren't that many large floor plate opportunities available. But I think all good outcomes or journeys require luck at some stage and I think we just happened to be in the market at the right time when Brookfield were going to Council and asking for a change in the zoning for One Shelley Street from residential to commercial.

**“We definitely had a view that larger, open floor plates would assist in terms of teamwork.”**

We definitely had a view that larger, open floor plates would assist in terms of teamwork, collaboration and some of the things that we have ended up focusing on at One Shelley Street.

### **How does the type of business you are running influence your thinking about the type of workplace?**

In a retail business, you are more likely to have an inter-connectivity between functions and teams. The thing that I had very clearly in my mind and which the leadership team talked about was big floor plates. Let's try to get to a point where we can have 300-400 people on a floor, because we could see the business growing to the point where we would need those types of spaces. The type of business being retail definitely influenced the design.

### **How did you become aware of ABW?**

I think we had started researching reference sites for who was doing interesting new stuff and I think they came up. They described a broad concept. The concept sounded interesting, but also, at that point, probably a little weird, and some questions remained unanswered. I think, when we had people on our steering committee on various parts of our business go to Interpolis in the Netherlands, that things definitely computised – ‘OK, this is what we're talking about’. They were very open about the fact that they had been on a journey and that they were at a different point to where they had started and that it was not about a building – it was about change management and culture. As a result, the journey and learnings that we've gone on we are sharing with everybody. My belief is that we actually end up with a better community if more people are more effective at their work –and there should be things other than just the working space that make the difference for us being an employer of choice. So, if we can share our learnings and it ends up with more buildings like this being built in Sydney, that's better for everybody.

In terms of the concepts that feed into ABW and the outcomes that it creates, there is an element of connectivity between those elements and concepts. If you didn't understand that, if you hadn't experienced that, you might say like some people, ‘Oh, it's hot-desking’. But it's not hot-desking. It is like a little coherent eco-system which is different from other eco-systems.

**“My belief is that we actually end up with a better community if more people are more effective at their work.”**



# Alan Corr Pilgrimage to Interpolis

Alan Corr was Divisional Head of Macquarie BFS’ international business. Before moving to Hong Kong, Alan was the sponsor of the Shelley Street project.

The journey to Shelley Street began with some simple goals. Macquarie’s Banking and Financial Services Group needed a new home to house our expanding business and larger teams. We liked the location of our previous premises, but there was a need for larger floor plates and a more dynamic work environment. We needed this, but we also needed it to be no more expensive. Macquarie Business Services Division quickly identified Shelley Street as a possible solution. The vibrant waterside location could be designed so we could take advantage of the light and views. Business Services’ aim, to create spaces that were architecturally innovative, was applauded by BFS.

Once the location and external design were chosen, the Banking and Financial Services Group, as part of our forward thinking strategy, undertook a journey that took us to the most innovative office environments here and overseas. From Sydney to Los Angeles, New York and London we saw many inspiring office interiors. Our journey led us to the Interpolis office in Tilburg, The Netherlands. Within the first hour of our visit, we knew that we were not only viewing an office interior but a unique conceptual approach to working that manifested itself within a physical environment – Activity Based Working (ABW).

The environment we saw had, of course, elements that we are all used to seeing in an office environment, desks, meeting rooms, seating areas and so on. Materials, colours, design elements were

used thoughtfully and with strong visual effect and impact. But what was most important in the creation of this unique space was the consideration of people and the way that they worked and would like to work.

We were struck by the openness and transparency of the environment. Strong staff collaboration was very apparent. ‘Paper independence’ revolutionised the way that people accessed information. What resonated most for us was the trust the company showed in their people: from an honesty payment system for food to the elimination of line-of-sight management.

Activity Based Working is about trust, empowerment, collaboration, innovation, openness and choice. Value is placed on the ability of staff to continually adapt their way of working. Without exception, every person we talked to said they would never want to return to a traditional way of working. ABW, together with an innovative work environment, was one of the reasons they came to work at Interpolis, and most importantly, stayed there. We returned to our hotel, excited and energised by what we had seen. Over a drink or two, we pondered if this concept could be translated from Interpolis to Sydney, from funky Dutch to laid back Aussie or if something would ‘get lost in translation’!

We reflected on those ideals of ABW trust, empowerment, collaboration, innovation, openness and choice. These are values that are at the core of our Group. By the end of the day, we were convinced that in Shelley Street, we had the opportunity to not only create a work environment that was aesthetically pleasing but to fundamentally change the way that people worked within it.

The following day, we challenged Veldhoen to apply the concept of ABW to our Banking and Financial Services Group. We confronted them with all the reasons it would not work, and they met our challenge with compelling and structured reasoning.

“Activity Based Working is about trust, empowerment, collaboration, innovation, openness and choice.”







## Steve Thomas From Back Office to Front Office

**Steve Thomas has overall responsibility for the provision of IT services for Macquarie's Banking and Financial Services Division. He sat on the steering committee for the Shelley Street project from the beginning to implementation.**

**Would you describe the Shelley Street project as IT-driven?**

It was not so much IT-driven as IT-dependent. The driving was really 'What's the aspiration?' 'And what are the solutions out there, both today and particularly tomorrow, to support that aspiration?' That was the challenge – and it was a particularly significant challenge.

What was interesting was that as we went through the journey, the aspirations actually increased. So, moving from a position of 'What's the technology that might support us to enable mobility?' through 'What's the technology that will support us for an Activity Based Working environment?'

Then, as we went through the journey, the aspiration was much more around how to engender collaboration and empowerment – and the tools to provide that are very different.

People are generally fixed to the same location because their desktop is fixed to the same location. How do we move to a position of follow-me technology so that wherever I am, the technology is there to support me and everything I need is available in terms of data and files?

The great thing was that we never had anything fixed in our mind. It was: What's out there, what are people trying to do and what might we be able to do? And I think we found that in some instances the technology wasn't there to support us in what we wanted to do.

**Can you give an example of that?**

Telephony, which might be thought of as the simplest thing, was actually the hardest thing because we wanted to provide mobile telephony and single number reach for 2,500 people. We spoke to the leading providers of those solutions who could not guarantee the level of service for 2,500-3000 people in a dense location.

Regarding telephony we ended with a range of solutions because we have a range of job families that we have to provide for here. There are six ways in which you can receive your calls, from call centres through to fixed phones through to mobiles through to your laptop because we used an IP solution (Internet Protocol). We worked with external providers to ensure we and they had enough external and internal capacity, from the basement to the roof.

It was a tightly run programme. Whilst there was exploration, there were fixed goals and fixed dates that we were working to. The rigour was there, but it didn't necessarily constrain the aspiration.

**Can you elaborate a little more on the technology programme?**

There were key components of the technology. For example, how were people going to access their digital files on their systems from their desktop? There was a choice of either a laptop or something called a virtual desktop, which essentially provides you with a device at a fixed location, but you can access your information from any location. It doesn't sit locally with you. But we decided to move to laptops. And that was a big decision because suddenly we were now going to deploy three thousand laptops in our organisation and work with the vendors to make sure they could provide them and change the whole fleet. Everyone had to move to the same family of models because that laptop now had to fit into the docking station that was provided at a number of the collaborative work stations.

**Necessity is the mother of invention. What were some of the unexpected solutions to come out of the process?**

The wireless presenters. Absolutely fantastic. Almost a peripheral thought, it wasn't part of the main game. Providing 150 screens of different sizes with wireless presentation and enabling people to go into a room, show their work, get feedback, spreadsheets, project plans, powerpoint presentations on the spot and create a collaborative environment. It's just been fantastic.

Other simple innovations? The room booking system. Now you don't rely on the outdated piece of paper. There's now an upgrade to that system that allows it to be interactive. You can activate the system from outside room.

Then there's follow-me printing. You no longer have to worry about where you are. By using your pass card, which is also used for access to your locker and the building, you can get a print-out at any device.

**“How do we move to a position of follow-me technology so that wherever I am, the technology is there to support me?”**



**“With highly transparent meeting pods, we were able to put teamwork on display.”**

There was a huge logistics exercise behind the scenes that a great number of people never witnessed. Rolling out laptops to everyone before they ever came to Shelley Street, so they were familiar with the technology was a really key part of the project. Then ensuring that when a floor was made available it was cabled appropriately and every single workstation was working was some exercise. So, all credit to the team.

What we also tried to do was to deliver messages to people, not to places. Telephony was part of that. But we also used Office Communicator because you don't know where someone's going to be.

#### **Other innovations?**

The movement of the phrase from 'paperless' to 'paper independent' changed the mindset enormously. Paper would still exist, but you would simply be independent of it. It changed the paradigm. Now we're actually taking cupboards out of the building because people don't need paper.

One of the other innovations in this building is the concierge desk downstairs, right in the middle of the building on the Street. When we went to Interpolis, we saw the location where you got all your IT supplies and services. Suddenly, you were enabling people. If they didn't have their technology, how did they work? So, we took it a step further and actually placed it downstairs. It is a help desk. It supports Guest Relations, but also IT and we staff it with IT technicians so you can immediately get anything you need. So, if you have forgotten your laptop for the day you can get another one there, re-load it with your profile immediately and you're up and running. If you forget your phone we can lend you one. There is a whole set of capabilities so that you're never interrupted in how you do your work. The whole idea was: How do you take IT from the back office into the front office and enable people?





# Anthony Henry

## It's Not Actually a Question of Design

**Anthony Henry is a Division Director in Macquarie Group's Business Services Division. He worked on the conceptual development of the One Shelley Street project.**

**Where did the brief for transparency originate?**

Over time, you become aware of some strong principles that work in the workspace and transparency is one of those principles. Everybody knows, for example, if you walk out on to a blank wall compared to when you walk out on to an open floorplate, it is such a different experience and it's experiences like that in the work that we had done that we sensed that we needed to get a much more open and transparent building. In our former office we would have a team split across two or three floors and you were relying on the lifts and staircases. The building struggled to accommodate what the business was doing. We were moving everybody at least once a year and within three months everyone was sitting in the wrong spot again. We had the real sense that that type of building didn't work for us.

This building gave us the opportunity to really think about what it means to connect visually and physically.

Working with BFS we developed four key principles for the building: a healthy building, slinky space (flexibility, a really agile space), the tree (an internal framework with the meeting rooms spread through it) and follow-me technology – probably the most profound in terms of what it drove as change, because there was that notion that technology didn't need to be delivered to the desk, but that the technology would follow you wherever you went in the building. The notion was to create a building where people had a sense of ownership of the whole building, not just the floor or desk they sat at, trying to think of the building as a home where everybody could go everywhere instead of it being a stratified or cellular experience.

If you are talking about a truly innovative workplace, it is actually not a question of design. Design is a component of it. It's almost like it's the manifestation of the innovative thinking that sits behind it.

**How long did this process take?**

It was a debate and a discussion over three years. And it started with the question: Why would we want an open building in the first place? Then the businesses embraced the concept of the tree, the internal atrium space and the connected workspace. Then it got to the point where, 'Well, we've done all that – we've created this amazing building – what does it mean in terms of the way we work?' There was a turning point where we discussed what the building was all about. Then it was a case of asking: 'What are the opportunities we have?' And that started the global search for what our benchmark should be, an alternative workplace.

# Alison Creed

## The End Doesn't Justify the Means

**Alison Creed was Programme Director on the One Shelley Street Project and responsible for coordination, liaison and implementation – in other words, making sure everything turned out the way it was meant to and everyone moved in on time. Here she talks about how she did it and what the experience meant to her.**

**When you decided to move to a new building, was it understood that this would involve a major cultural change?**

I think the notion of cultural shift was already there in the sense that Peter Maher had already started to talk about the next seven years – we were seven years old. We needed to step up, do things differently, change. The major constraint was that we were very siloed. We were one division, but we had different businesses. There was a real recognition that the physical space was a constraint – and not just a constraint, but a barrier. So, it was a really clear vision from all involved that we wanted an open, transparent, collaborative organisation.

**The visits to Interpolis seemed to have a profound effect on everyone who went. How was it for you?**

When I went to Interpolis I had already been working on the project for four or five months. By that time I had seen all the pictures and had been working with Veldhoen for three or four months. For me it was what I expected, but it still blew your mind. I didn't need to go to be persuaded, but I was massively persuaded when I went, although we had decided to push it further than Interpolis had.

The deciding factor was that we wanted to change our culture. But the deciding factor for individuals to sign up to it was Interpolis. What struck me most about Interpolis was people quietly going about their work in small groups, bigger groups, huge groups and that the space they were working in was right for that. What really struck me was that this is a really grown-up place to work. It's really professional, a real absence of hierarchy. And I think we've achieved that, too. And the other thing that struck me was how clean it all was – because when you leave where you're working you take everything with you. Clean is probably the wrong word – it was more open and transparent. It just felt like you could think there.





3



BRINGING  
A TEAM  
TOGETHER





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aving found its building, Macquarie’s next task was to find someone to design the interiors. At the suggestion of local architects Woods Bagot, Los Angeles-based Clive Wilkinson Architects (CWA) were invited to participate in a limited competition which resulted in a collaboration between CWA and Woods Bagot to design the interiors. For BFS, the fact that Wilkinson had never worked for a bank before was a major plus because it helped guarantee a fresh and original approach. This became evident three months into CWA’s involvement when they suggested re-configuring the floor plates, scattering the atrium bridges, inserting an atrium stair and cantilevering the meeting pods apparently at random out into the atrium space.

These developments had already taken place before Veldhoen became involved. In mid-September 2007, Veldhoen received a request from Macquarie for a video conference to discuss their overall approach and methodology, along with a detailed explanation of how ABW worked.

Veldhoen visited Sydney in November 2007. In two weeks, they conducted roughly fifty interviews with senior personnel, conducted workshops with staff from across the business and additional workshops with those people who would be responsible for delivering the project – people from across the three key streams: the physical, the virtual and the behavioural.

The base building with its expansive, column-free floor plates and the re-working that CWA had already done provided a framework of vertical and horizontal connectivity, along with a very high degree of transparency. Thus the physical environment was already tuned to accept ABW.

Veldhoen discussed their conclusions with the leadership of BFS and proposed that ABW was a viable approach so long as they were prepared to throw their existing floor plans out the window and start from scratch. What was required, was a commitment to a genuine change journey.

True to Veldhoen’s philosophy, the ball was thrown firmly back into BFS’s court. Veldhoen weren’t providing the answers. As far as they were concerned, if you wanted to know the end at the beginning, there could be no journey. The journey had to be one of discovery – one which had to start by working out the right questions.

Just before Christmas 2007, Veldhoen received a call from Macquarie saying they were prepared to commit to the ABW journey, to the why vision and to the implementation recommendations.

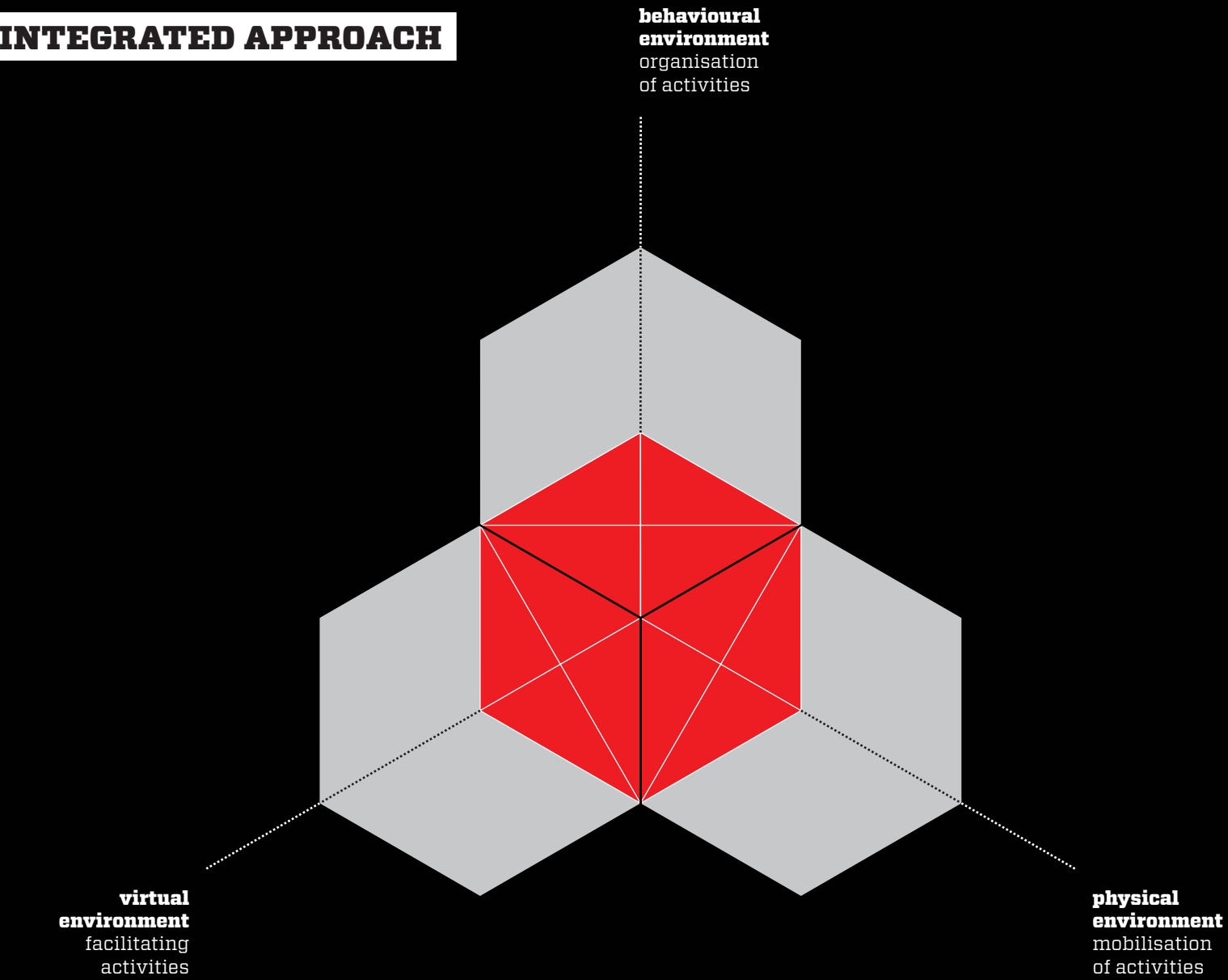
This was a courageous decision. They had seen ABW working in the Netherlands, but would it work in Australia? And would it work for BFS in particular?

Veldhoen’s Luc Kamperman points out that while there may be cultural differences between the Netherlands and Australia which shape the nature of the workplace – he singles out the lunch culture, for example, because in the Netherlands there is a tradition of eating lunch in-house as opposed to Australia where people tend to leave the building, or even the use of lockers which Australians may feel is a little like being back at school – what they have in common is curiosity and an openness to change.

What became clear to BFS, says Kamperman, was that change management was crucial. “Moving away from having your own desk is personal and emotional,” he observes, “and we can’t underestimate that.” Moreover, while precedents elsewhere can be valuable guides and while ABW may have demonstrable benefits, at the end of the day every company is unique and requires its own ‘customised’ solutions. Veldhoen’s approach acknowledges this and for this reason emphasises how important it is to ask the right questions first before deciding on solutions.

Before they could frame the ABW brief for the designers, the task was to help Macquarie BFS identify and clarify their core aspirations. Without that clarity and without an informed and conscious commitment to those values, no design would ever be effective. Veldhoen had identified the three streams in the process – the physical, virtual and behavioural – but there were over-arching objectives as well, such as sustainability, paper independence and communication. “It ran as a matrix,” says Luc Kamperman, “and was a holistic approach to delivering an environment which embodied our objectives. No single part could have achieved what we did. It was essential to take this approach.”

INTEGRATED APPROACH





**“What was important was to set a vision and goals right at the start.”**

**I**n other words, it was necessary for everyone to be on the same page at all times and ensure that the respective streams worked together and not fall into the customary habit of running their own agendas. The strategy adopted was to bring people from the different streams together in the process. It meant that we had IT meetings with interior designers involved in technical discussions. We had engineers in meetings about communications with users. Having people in the room who were not experts on the subject of the meeting was a real positive for the outcome. It effectively brought the user into the room.”

What was important was to set a vision and goals right at the start. This becomes the page that everyone can go back to in order to stay on track and maintain effective collaboration. One tactic in this strategy was what Macquarie term *balcony time*. This is a corrective to becoming too task-focussed and is a reflective process involving bringing people together to review what they are doing and ensure that what they are doing is what was agreed when the vision and the goals were first articulated.

After the initial work on the ground in late 2007, Macquarie decided for someone to be permanently on the ground during the project. So, in March 2008 Luc Kamperman arrived in Sydney, initially for a three month period.

# Alison Creed

**As the Programme Manager what strategies did you adopt?**

Our decision at the beginning was that everyone was involved in everything because, if we believed in the concept of collaboration, then we had to believe that the design people, the building services people, the architects and our consultants – whether they be IT or Veldhoen – that only by talking to each other, by being together in the same space were we going to get the best outcome. We had to live this new culture. The hardest thing for us was to try to live the new culture without having the environment that we could do it in. But we had to live it because if we didn’t live it, how could we persuade other people to live it? In this case, we had to let people see the process. So, what we did when issues came up was, we had an agreement between ourselves, between everyone, which was: No surprises. It’s a classic project management thing. ‘It doesn’t matter what you have to tell me, just please don’t have any surprises. Flag things upfront if there’s going to be problems.

**How did Veldhoen fit in to all this?**

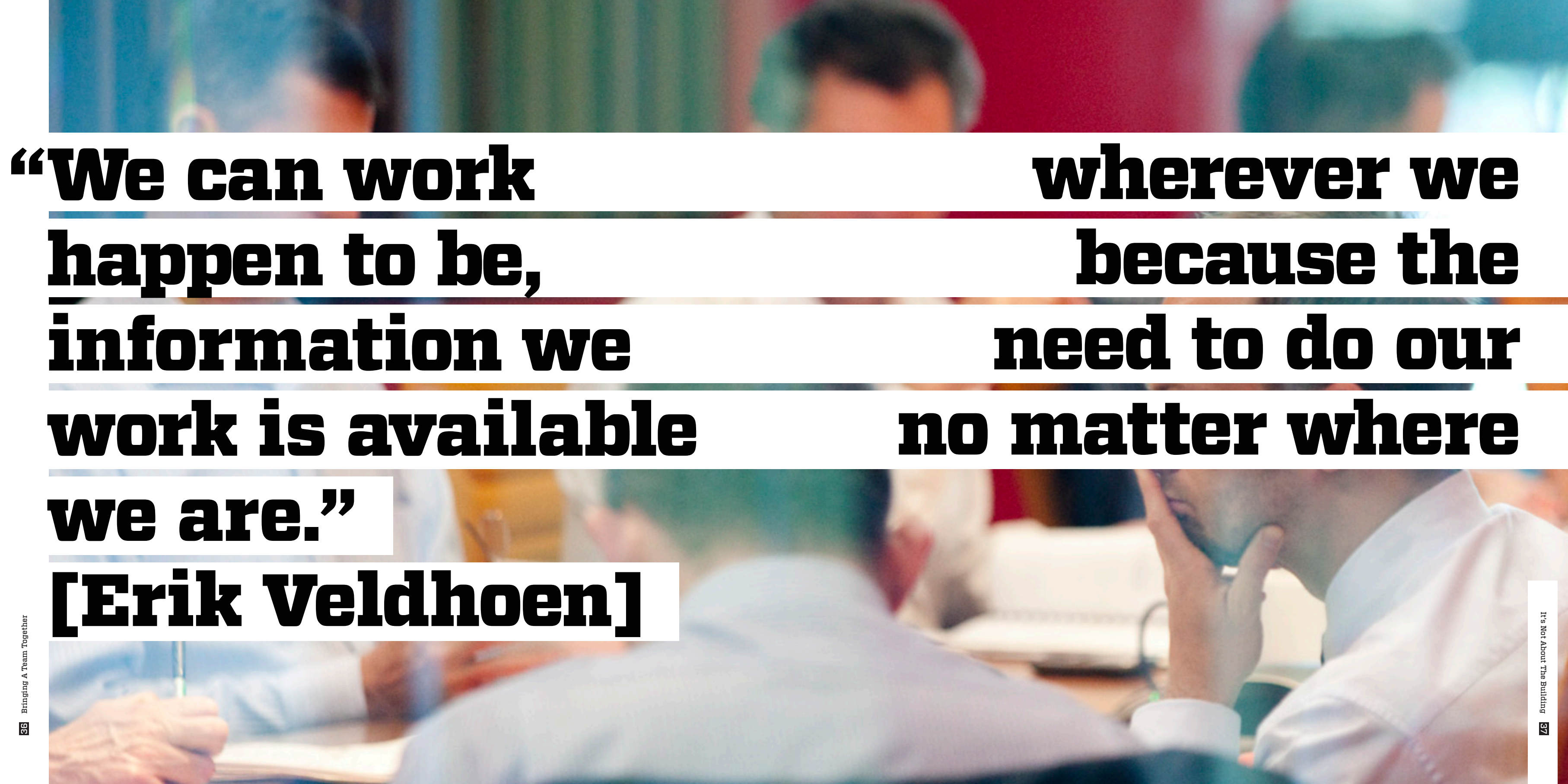
The major piece that Veldhoen did was that initiation piece, the beginning piece, which was around being really, really clear about why we were doing it. Usually, in projects like this, it is around financial and one of the things that Veldhoen didn’t push much was the financial. That was quite interesting, because it gave the project a very different flavour. What Veldhoen did was to go straight into the cultural piece. They had workshops across the whole business. That was really, really good because that was something that we went back to constantly. Then they worked with us to define what the vision was, what our people wanted. Then how were we going to get it. We had our values, very clear rules around how we were going to make the decision and that was to support collaboration. We used to sit in rooms and say: “Well, is this doing anything for our collaboration, is it doing anything for our transparency across the business and is it doing anything for the fact that we want to be completely flexible? And if it is not delivering to those things, we don’t need it.”

**Looking back how do you think this project effected you?**

I have to say it was one of the most fascinating things I have ever worked on. What I got out of it was the understanding that the end doesn’t justify the means. It had been something that I had understood intellectually, but not in my heart.

What I learned was that it was all about balance. We had to show that we were doing this in a new way. That we were collaborating. We were listening to people. We were being flexible, open and honest in everything that we did. This project was a huge catalyst for me in re-evaluating how I want to do things.





**“We can work  
happen to be,  
information we  
work is available  
we are.”**

**[Erik Veldhoen]**

**wherever we  
because the  
need to do our  
no matter where**



## Peter Maher

**I**t is very important to Veldhoen not to impose or prescribe a solution. Instead, they like to work from the inside out and get their clients to take responsibility and ownership of the solution. How did you relate to that process in your role?

We had a discovery process with our leadership team before we got Veldhoen involved which was actually getting our leadership team to articulate the concepts which we thought were important. So, we started with ‘What are the attributes of the working space and how would we like our clients to see us?’ and came up with that list. Then we went through a discovery process of who might be doing interesting stuff around the world, found Veldhoen and sure enough their process more or less matched the attributes we were trying to define. So, it worked quite well from that point of view...transparency, open, collaborative, teamwork.

I think our team really enjoyed their work process, because it is a combination of quantitative analysis, design, ergonomics and workspace concepts. It’s not all left-brain or all right-brain. It’s a combination of the two. So, for those people who were more interested in the analytics, what communicated was the compelling nature of the workspace studies showing that you could basically save a lot of money on rent by understanding when spaces weren’t being used. So, for those people being quantitative, big tick. For those people who were more interested in the abstract concepts of how people related to each other, seeing the different styles of spaces we were going to create, I think, appealed to them. We have quite a diverse leadership team, and I think everybody had a chance to take something out of the process that resonated for them.

### How does Shelley Street relate to your brand?

From my point of view, one of the simplest definitions of a brand is its promise. And it is promise which has a number of connection points with the stakeholders who you are exposing your brand to. So, in the case of the building and the workspace, what’s the promise that we are making to our team? What’s the promise that we’re making to our clients who might come in here? What’s the promise we’re making to our suppliers who might come in here? If the promise is about building a sustainable business, then we needed to make trade-offs and decisions around sustainability. When we first went out and surveyed the staff in our previous location, about the things that were important to them if we were to go into a new building, sustainability definitely came through. You know, our average age in BFS is 33-34 and so sustainability was a very important point. Therefore, if that’s part of the brand promise, you then need to make decisions and trade-offs against the various elements of that promise. So, that’s where it came back to paper independence. It came back to the design of the building from an energy usage point of view. It came back to follow-me printing. They all end up being a consequence of getting clarity on what are the components of the brand and how you maintain coherence with that.

**“The process is not all left-brain or all right-brain, it’s a combination of the two.”**



# Clive Wilkinson

## There is no Need to be Polite

**Clive Wilkinson is design director of Los Angeles-based Clive Wilkinson Architects. CWA designed the Shelley Street building for Macquarie with support from local architects, Woods Bagot. Here Clive describes the journey and its significance.**

In October 2006, we got a phone call in Los Angeles from Woods Bagot. They thought we could assist Macquarie with its new offices in Sydney. We flew to Sydney and Macquarie interviewed us to design their Shelley Street building.

They seemed to like us, not because we had experience designing for financial services companies, but because we had none. However, our commissions frequently involve consulting for businesses in a process of radical transformation, and we had designed Google’s headquarters in Silicon Valley just a year before. Macquarie was looking for change, and we were engaged as design architects, working closely with Woods Bagot, as executive architects.

Traditional offices suffer from an undue deference to tradition, or to the past, and lull people into complacency. If you want to challenge your staff to do great things, then your offices should embody that challenge. There is no need to be polite when designing work space.

Macquarie quickly emerged as a company ready to exploit physical space as a tool for re-inventing their business practices. Collaboration and transparency were agreed key goals, promising high knowledge sharing and the business timing advantages that flow from that. Since I had worked in Sydney for six months prior to starting our Los Angeles practice in 1991, there was a low cultural learning curve for our team.

One Shelley Street presented several unique opportunities – which the project team embraced. As the building was not yet built when we started, we had the chance to re-shape the interior space in a more permanent architectural way. The ten-storey atrium presented an incredible opportunity and led to our first ‘off the wall’

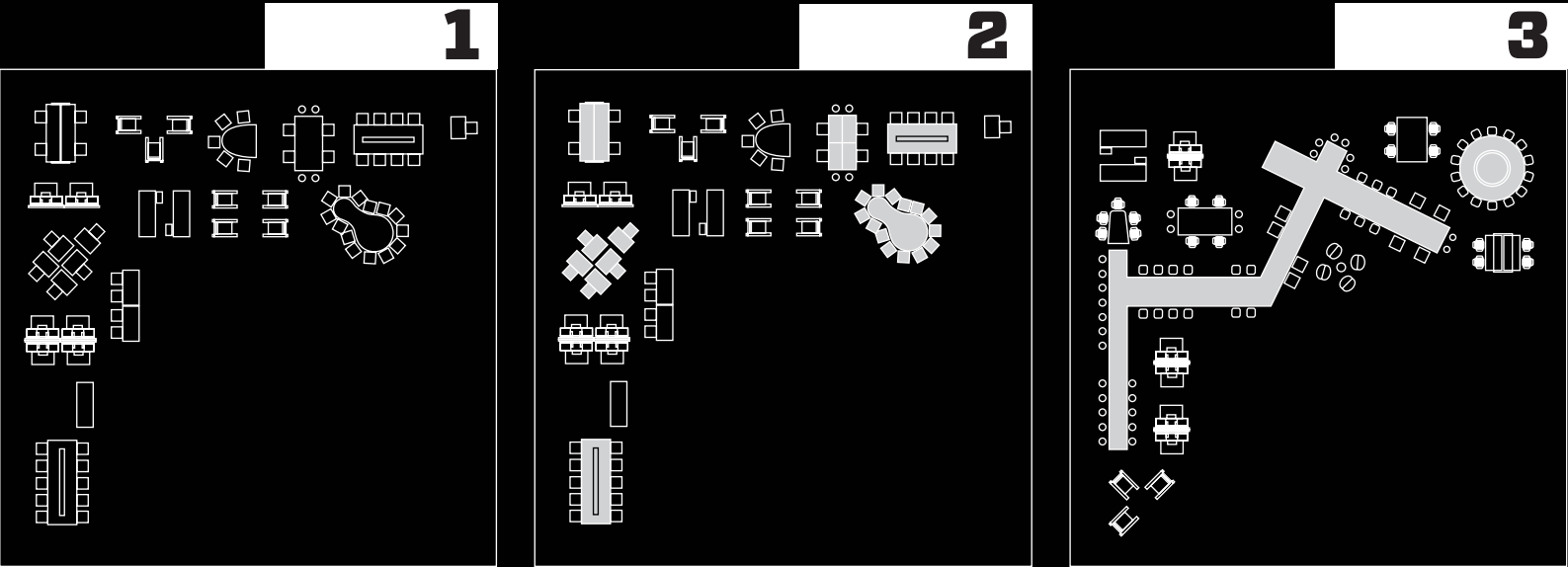
idea. We suggested to Macquarie that we leverage the adjacent Darling Harbour container shipping dockside language and put a steel gantry at the top of the atrium. Using this crane tool, we could move around custom-designed meeting room pods attached to the sides of the atrium. If you needed a six person video conference room on the 4th floor, you called for it like a taxi. And it came!

While it quickly became clear that meeting rooms didn’t need to move, the aesthetic of ‘containerised’ meeting pods remained. In a very important way, the atrium provided the opportunity to



Courtesy of Clive Wilkinson Architects

# Development of a plaza space



reconsider the Macquarie client experience which had hitherto been constrained to an isolated formal guest relations floor. By vertically extruding the security envelope around the business area, we were able to welcome clients into the heart of Macquarie throughout the atrium, without compromising security to the workspace on each floor.

With highly transparent meeting pods, we were able to put teamwork on display – to celebrate collaboration in a grand way – and simultaneously communicate that Macquarie itself was all about team work – both internally, and externally with its clients. Visitors and clients using the meeting pods can see the activity on the office floors, but cannot see what’s on the monitor screens.

We called the vertically stacked pod configuration, linked with a new open staircase, ‘The Meeting Tree’ to symbolise the inter-connectedness of Macquarie’s client relationships and the importance of collaboration. The resulting atrium space recalls several cultural archetypes: part-cathedral, part-vertical Greek village, part-ocean liner and part-space station.



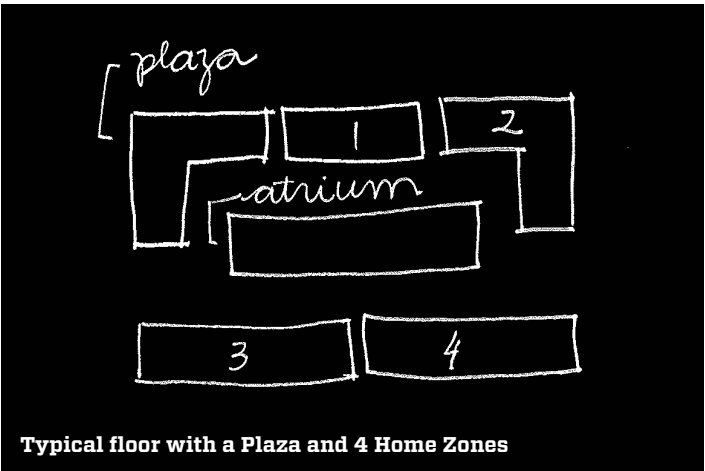
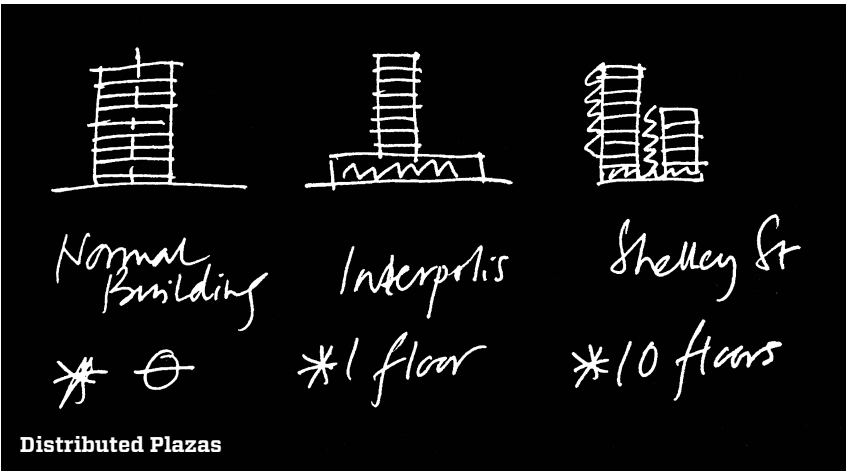
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ENJOYING  
THE  
JOURNEY







**“The different themes and associative design bring a lot of creativity into the environment.”**

Luc Kamperman initially spent three months in Sydney, working with Macquarie’s project team to ensure everything was in alignment and consistent with the ABW philosophy, because the time had come to make decisions about implementation.

At this stage, Veldhoen + Company were still working on the ABW brief – which was based on the three core environments: the virtual (the role of technology in the business and the impetus it would give to the shift from paper to digital information dissemination and storage), the physical (where no one would have their own desk) and the behavioural (the cultural change involved in the move to ABW). This needed to be translated into floor plans consisting of five different home zones or neighbourhoods, shared plaza areas on each level, two collaborative zones and two zones geared more to individuals and specific departments – along with the respective anchor points consisting of tea points, lockers, printers and centralised filing cabinets.

The anchor points were crucial because to leave the choice of where to work completely open-ended ran the risk of triggering a sense of anomie, the feeling of not belonging anywhere. So, the anchor points are part of a strategy to create neighbourhoods where everyone in a team has a locker, a place where one begins and ends the day, and a place where one can re-connect with team mates.

The neighbourhoods complement the themed plazas which are spread vertically throughout the building. These are not assigned to any particular team and are designed as creative spaces – generated by ‘associative’ design elements such as the café, the library, the garden – where staff can work either individually or collaboratively away from their home zones. As Luc Kamperman describes them:

The different themes and associative design bring a lot of creativity into the environment. People can choose between the different plazas dependent on their personal preferences. The essence is that if you don’t have your own desk any more, it helps to pick a favourite space. It also helps with way-finding...’shall we meet in the library?’

Post-occupancy research on previous ABW projects shows that only 5% of people experienced challenges giving up their own space – that is, giving up their own desk. Giving up the desk was off-set by the fact that people were gaining a variety of other work settings in its place. So, explains Kamperman, “the home base is not that single desk any more, it’s rather a home ‘zone’ where people will find most of their direct colleagues. At Macquarie, people showcase a collective ownership of the whole building.”

Work on the floor plans had begun in February 2008 when it was agreed that the existing plans drawn up by CWA weren’t suitable for supporting ABW – the work areas still had too many benches and lacked variety. A starting point – and, initially, a sticking point – was the positioning of the tea points, or kitchen areas, because Veldhoen saw them as anchor points and, therefore, needed to be fully integrated into the fit-out. Once this was agreed, work could progress to laying out the floors based on the notion that at the core of every home zone would be the tea point, the lockers and the filing cabinets.



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fter the the functional brief was complete, Kamperman’s role was to assist Macquarie BFS in developing a change-management programme. So, says Kamperman, “through workshops with Macquarie staff, we continuously had the opportunity to learn from what we were doing... and Macquarie really wanted to do those temperature checks to see how everything we did was received and to see if we could learn from it and tweak our further roll-outs”.

As an outside consultant, Veldhoen might normally have expected to work in the client’s office two to three times a week. But Kamperman found himself at Macquarie almost five days a week. This had the advantage that he was close to everything that was happening. “During the day,” he says, “I was working closely with them (Macquarie) and at night I had my conversations with my colleagues back in the Netherlands. That was sometimes challenging but the benefit was that I had a great idea of what was happening.”

According to Kamperman, the devil is in the detail when it comes to implementing ABW, so his closeness to Macquarie proved to be extremely valuable, knowing as he did the conversations that were taking place, the kinds of decisions they were going to make and so being in a position to influence those decisions.

Meanwhile, CWA and Woods Bagot were completing the fit-out which responded enthusiastically to the ABW brief.

Clive Wilkinson comments:

“The strength of ABW is that things can look casual and informal, yet the specifications for the work settings are very tight. There are almost no sofas in the building and there are hardly any armchairs. Every work setting has to have an ergonomic chair and beneath the aesthetic there is a strong functional orientation.”

“The environment which Macquarie began to occupy in late 2009 is a light-filled, transparent, diverse and colourful one. It is also a highly dramatic one with lots of movement, but one with very clear circulation, signposted by a variety of unique destinations, such as the distinctive plaza areas.”





# Peter Maher

YOU

ou have spoken about it as a journey. What is a journey for you?

It’s about change management. It’s not about a building. It’s about moving our team and our business forward and our relationships with our clients forward. You never get to the destination. It’s always about improving, the movements along the journey and recognising how they can

inform decisions that you may make. So, when we went out to teams six or nine months after they’d been in the building, what we found was quite illuminating. Some of the conclusions or assumptions hadn’t been validated. Some spaces weren’t being used the way we thought – the library is an example. We’ve got an evolving group of people and if, as a consequence of having moved in here, some of the assumptions that we made aren’t correct, you change it. You don’t actually criticise, you just change and evolve. That’s consistent with it being a journey. To me, that’s a really important part of how we’ve gone about it and it informed a lot of the design decisions. Some of the decisions – lightweight furniture, an absence of fixed partitions etc. – was actually taking into account the fact that we probably wouldn’t get everything right. And that’s OK. It’s a journey.

About three-quarters of the way through the design process, I started to get quite concerned about some of the language that some of the team were using. It had become quite prescriptive – like ‘You must change’ and ‘You must rotate’. No, no, no, no. That’s what we are moving away from. This is much more about: ‘We’ll create the freedom for you to use the space in whatever way works for you. So, we’ll create a variety of flexible work spaces and there are no rules. You actually use it in the way that works for you.’ We had people asking ‘If I stay in the same seat the whole day, is that an issue?’ Well, no.

This is not a culture where one can sit back and be a passenger. Here it’s about being the best you can be. Our brand stands for ‘Forward Thinking’ – challenging our people, not just in the space of innovation for the client, but also displaying leading edge behaviour in how we lead our people and come together collectively within our business. This is what earns us the right to proudly wear the badge of our brand – inward-facing, as well as outward-facing excellence.



“We’ll create the freedom for you to use the space in whatever way works for you.”



# Kim Haywood-Matty

**Kim Haywood-Matty was Head of BFS Culture and Capability, she and her team were responsible for leading the behavioural change necessary to embrace a radical new way of working.**

People are looking for more meaning in the workplace, more freedom in terms of how they are led, more space to be creative. More transparency is expected by clients and regulators, this is an open system for all to see. Our people want access to opportunities, to be very much a part of what can be created here. Shelley Street responds to these needs and can offer more as we all continue to grow and develop. The environment allows us to come together as teams, creating different teams, when necessary, responding to different needs in a dynamic market place. Connectivity is good for all of us and here it can happen.

It was clear from the outset that we needed to take into consideration the needs of the individual and how it is in our nature to resist change and, therefore, understand what they would be likely feel during this journey of change. We needed to look at our culture, how we come together now to do things and how we wanted to look at this in the future. We needed to look at our current processes and ways of working and consider areas for improvements. Finally we needed to look at our systems to ensure they were aligned to the outcomes we were looking for. All of these areas were taken into consideration during this change.

Most importantly we needed to think about excellent client service and products, and how the environment could help us to achieve this.

We are without doubt creatures of habit and we do not all like change. Of course there was resistance to this change, but the initial challenges were centred around people not understanding what they could gain through this change – focus tended to be on perceived loss. We were very open about not having all the answers. With anything leading edge you have to believe in yourself, believe in each other and believe that you have what it takes to find the solution.

**“Great ideas emerge from people coming together.”**

We are clear that great ideas emerge from people coming together. When we knew we had an opportunity to create change within BFS and build upon our culture of empowering our people, we focused upon three words that would set us up for success:

- Transparency
- Flexibility
- Collaboration

We understood that it was time to embrace the new world of technology, to avoid duplication of documents and find quicker ways to disseminate information. We wanted our people to come together as teams working without any psychological or physical boundaries. Collaboration was key for the culture and how we all work together moving forward. This new way of working could free up the system so our people could be so much more effective.

Our ‘Getting Started’ induction sessions were designed to get people ready for the change and to understand:

- the feelings our people would likely experience during the change journey
- how they could support each other psychologically through the change
- understand the vision for the new way of working
- the practical need to know information
- a chance to see and touch the new technology, see the new workspaces and most importantly...
- to have a voice.

The sessions were very interactive. They were fun and designed to reflect this new way of working and being, giving people choice, empowerment and freedom.







**“Colour was used strategically in materials and finishes to compose the space.”**

## Clive Wilkinson

While the first phase building work was being executed, the primary user group (BFS) undertook an extremely thorough questioning of its own practices. Inspired by Peter Maher, the group went to the Netherlands to see Activity Based Working (ABW) in action, and decided to adopt it as a workplace model. ABW is a significant development beyond the ‘mobile office’ where the company’s business processes are supported by a customised set of work settings, like a bespoke suit.

Following this decision Veldhoen joined the team and proceeded to analyse BFS’ needs, and produce a blueprint for ABW work settings across the floors. To add richness and variety of workspace vertically through the building, we developed a concept of themed plazas where ABW work settings were transformed to suit the themes. Variety provided choice for the large population. But, more importantly, it promised to drive traffic and vital ‘cross pollination’ of business groups.

Within the office floors, the plazas celebrate collaboration with themes based on ancient collaboration typologies: the dining table, the library, the garden, the coffee house, the warehouse. These typologies bring easy familiarity and strong associations, but are provocative in their contemporary reinterpretations. They have varying collaboration emphases, and are intended to create an environment that is simultaneously provocative and comforting, affording conditions ripe for creative thinking and creative interactions.

The open work space is richly varied with ABW work settings focussed on specific types of collaboration. The challenge for the team was how to attain clarity, user friendliness and ease of orientation for visitors, and at the same time celebrate the variety of opportunity being provided. Colour was used strategically in materials and finishes to compose the space, which was so complex

and extensive that it became a kind of symphonic composition. This continuous elaboration of space is needed to support the sheer scale of community in the building: One Shelley Street is a small village with multiple neighbourhoods requiring orientation and character.

The success of One Shelley Street lies in its remarkably creative, eco-conscious and productive process, and the ability of the Macquarie team to deliver on that process. Creative because an intense and transformative process of discovery was embraced; eco-conscious because a number of systems were put in place to minimise both the building and Macquarie’s carbon footprint, to reduce both real estate and operational waste (ABW = zero cost of churn); and productive because once the goals were identified, the vast undertaking was executed rapidly within tight budgetary and time constraints.

The end result has been successful in meeting several goals. The developer achieved a building that goes way beyond generic solutions, but retains future flexibility. Macquarie BSD satisfied their user groups demanding requirements with economy and flexibility. BFS acquired an extraordinary workplace, probably the most forward thinking in the world, and engaged fully in the process with creativity, diligence and careful strategy.



5

**CULTURE  
AS AN  
ON-GOING  
JOURNEY**



# ‘Brand coherence’, which essentially means that everything about the building and the way it is used has to be congruent.



Occupying the building was just the next stage in the journey and one which continues to have its own particular stages – as more people move in, as people learn to use the new environment, as adjustments are made to the way individuals and teams work within what is a challenging environment. Peter Maher is in no doubt about the nature of this journey. “it’s a fun journey. That’s a really big part of it. Seeing the genuine joy on people’s faces.”

It is not so much the future workspace as it is the workspace of today, really. There are just not that many daring clients that recognise that and seize the opportunity. Centralising and empowering the employees is key. And that doesn’t just mean providing them with saunas and game rooms, but an environment that enables them to excel in their field.

One crucial thing to emerge was the importance of focussing on the process, not the end result. By definition, creativity is about not knowing the end at the beginning. It has to be a journey of discovery. And as the great American researcher on professional creativity, Donald A. Schön observed, every problem – read, every business – is unique and requires its own unique solutions. It is not about problem-solving as such, but about problem-setting. There can be no solution until we decide what the problem is.

The process of achieving a genuinely collaborative, team-based and creative work environment also had to be genuinely collaborative, inclusive and creative – otherwise there would, inevitably, have been compromises and contradictions which would ultimately have undermined the ABW vision.

For Peter Maher what really mattered was what he terms ‘brand coherence’, which essentially means that everything about the building and the way it is used has to be congruent. It is about achieving clarity on the components of the brand and ensuring that each component is consistent with all the others. Maher’s way of putting it is to talk about promise: what are the promises being made to the team, the clients and to the suppliers? Delivering on those promises is, says Maher, mediated through the ‘lens’ of the designed environment.

Veldhoen’s approach in helping to manage the change to ABW was more akin to coaching. What was important in the process was to own the answers and that could only happen if the participants took responsibility for discovering those answers for themselves – not answers discovered somewhere else. What has emerged for all the players in the process, though, is that the process is on-going. Or, to put it another way, cultural change is never-ending. It is a permanent process of evolution. The aim was always for the greatest amount of flexibility and choice in the way people worked. The change management process prior to occupancy emphasised this and insisted on the process being a journey of discovery rather than the imposition of either an explicit or covert set of prescriptions. For Peter Maher the journey is “not about a building – it’s about moving our team and our business forward and our relationships with our clients forward”. He points out that some of the assumptions made prior to occupancy have not been “validated” and that some of the spaces have not been used in the way expected. He elaborates:

If you had viewed the building as a destination and if you have a perfectionistic character and culture, that means you then have to make people wrong about those design decisions. But if you view it as a journey, then it’s OK. The journey is about change management. We’ve got an evolving group of people and if, as a consequence of having moved in here, some of the assumptions that we made weren’t correct, you change it. You don’t actually criticise, you just change and evolve. That’s consistent with it being a journey.

The idea of permanent change is implicit in ABW and the notion of design has to be understood as involving not just the built

environment, but also what is popularly referred to as ‘design thinking’, or approaching the way a business performs as a design challenge. From this point of view, the built environment facilitates, but does not dictate, the way people go about performing their roles in the business. If a priority for the business is innovation, then the built environment aims to facilitate and encourage that creativity. The plazas at One Shelley Street have been hugely successful from this point of view. As Anthony Henry points out:

People really like sitting in interesting, creative spaces. They respond very positively to sitting in environments that are really interesting and have atmosphere. This building is a creative space that hopefully helps people to think differently.

Also implicit in ABW is the end of line-of-sight management, which is a relic of the Taylorist concept of the office. The four principles underlying the Interpolis revolution – freedom, solidarity, trust and responsibility – reflect a professional environment with a real absence of hierarchy. The post-occupancy experience at One Shelley Street has revealed continuing challenges like: ‘How do I supervise a team I can’t see?’ and ‘How can a team be a team when they are not necessarily in the same place?’ And does the ABW concept work better for some teams than for others, for example call centre environments?

But as Peter Maher points out, resolving these issues is part of the journey and part of a permanent process of change management. And overall productivity is up, says Maher. Staff at the bank’s call centre do no tend to move round the building as much as others, but even they are scoring more highly on quantitative measures of their work.



# Anthony Henry

**Now that you have been in the building a while, what's the feeling?**

I think for me what's come out of it is the importance of creating a sense of community in a building. There's enormous power, I think, in what happens around these spaces in terms of people connecting with each other. You see people just running into each other, reinforcing discussions, having those discussions. Good business networks are built on good business relationships, but also on a social aspect to those relationships. So, it is important to have spaces like cafes, events spaces, places where people can go and have a barbeque, or have a morning breakfast. Those spaces are really important in rounding out the organisation and creating the right types of relationships within it. The other thing is that the plaza areas which are the less conventional, less systemised work spaces are extremely popular. People really like sitting in interesting, creative spaces. People respond very positively to sitting in environments that are interesting, that have atmosphere. Creative space does help creativity. So, this building is a creative space that hopefully helps people to think differently. Another thing about this building that's really powerful is the whole question about what's a sustainable workplace.



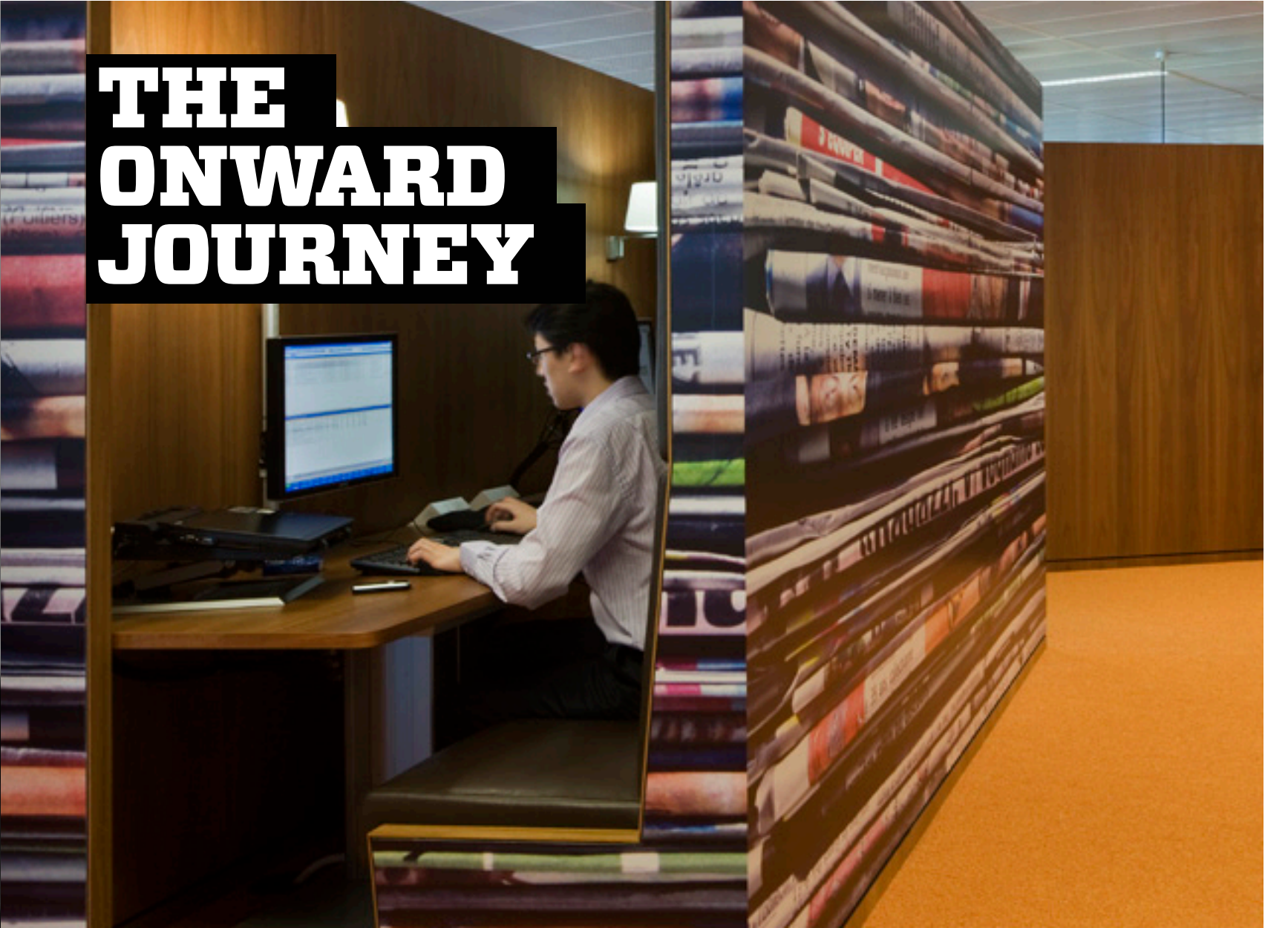
**“People respond very positively to sitting in environments that are interesting, that have atmosphere.”**



6



# THE ONWARD JOURNEY







## Paul McGillick

**D**r Paul McGillick, the author of this overview of the One Shelley Street project, is Editorial Director of leading commercial interiors magazine, Indesign. He now reflects on where the workplace is heading and on the role of Activity Based Working.

If we look back on the story of One Shelley Street so far – because this is a journey which has really only just begun – what significance does it hold? What does it tell us about where the new office is heading? What special significance does it hold for Australia, indeed Australasia, because New Zealand, too, is increasingly progressive in its approach to the contemporary workplace? And does it have ramifications beyond the workplace with more broadly social implications? Is this new way of working a viable model for the future or is it, in fact, an inevitable development, bringing with it a host of implications for how we work and for how the city of tomorrow will look and function?

The evolution of the office has been spasmodic and has tended to focus on the design of the physical space without a rigorous investigation of what these various design initiatives were meant to achieve in terms of the business culture. Open plan is a good example of this because the initial failure to clearly articulate its function led later to something of a backlash against it. Even today the debate lingers on with an implied either/or assumption – either open plan or enclosed offices. But this suggests a top-down approach when what is really required is a non-prescriptive, bottom-up approach beginning with a clarification of the needs and values specific to a particular organisation.

It is only over the last twenty-five years that a more focused investigation of the office has taken place and it is significant that this development has gone hand-in-hand with a broader re-evaluation of how we work.

Interestingly, Australia – at least for the last ten years – has been at the forefront of this on-going experiment in a new way of working. If it has not been right at the cutting edge, it has certainly been quick to adopt best practice. Even so, there were false dawns, most notably the amazing IBM campus in Sydney's West Pennant Hills. Set in a forest, the IBM headquarters for the Australasian region is a cluster of linked buildings which manages to integrate with its

**“These workplaces aimed to offer all the diversity, interest and amenity of a small town or village.”**

beautiful setting without compromising its need for high levels of security. Internally, it aimed for maximum flexibility, while the base building aimed for what, at the time, were largely unprecedented levels of sustainability, especially energy conservation. Although it was designed by an Australia company, the philosophy came out of the IBM headquarters in New York – interesting, because to this day North America, albeit with many notable exceptions, remains generally very conservative in its approach to office design.

But the IBM building in Sydney was built in the mid-1980s and it was not until 2000 that the next significant advance was made with the MLC Campus in North Sydney, an internal, vertically connected campus as distinct from the landscape campus of IBM – a metaphorical campus as opposed to a literal one.

What they had in common was the notion of a ‘campus’, or more accurately, a town. These workplaces aimed to offer all the diversity, interest and amenity of a small town or village. The aim was to promote a sense of community and common purpose within the workforce. It also signalled a new interest in tapping the creativity of the workforce. Hence, there was a move away from fixed and regimented work stations and formal meeting rooms to a variety of informal work and meeting areas.

Significantly, the surge of interest in re-assessing the way we work has coincided with the technological revolution, especially the extraordinary transformation in the way we communicate, the way we access information and in the way we manipulate that information. In this new world of instant communication and constant connectivity, the old Taylorist or industrial model is finally revealed as inappropriate. Although we once distinguished between ‘blue collar workers’ and ‘white collar workers’, the distinction did not really go beyond the idea that one lot wore dark-coloured clothes to hide the dirt, while the other lot could afford to wear a white shirt because they never got their hands dirty. Basically, though, there was little real difference acknowledged in the way they worked.



## “The aim then becomes to design a workplace which both embraces and exploits the uniqueness of individual workers.”

The technological revolution – more specifically, the digital revolution – means that while a central, enclosed workplace (that is, a building) still plays an important role, it is equally the case that the ‘office worker’ can often now work anywhere. Moreover, this liberation from and of the workplace is not simply a feel-good experience for the previously regimented worker, it is also increasingly seen as bringing real benefits to the bottom line of organisations.

The revolution in the workplace reflects change, but is at the same time driving change. On the one hand, it reflects the new digital economy while it is also responding to it. On the other hand, looking into the future, it is possible to see how the changing workplace will increasingly impact on the economy, on society as a whole, even on the nature of cities which were, of course, central to the industrial revolution – which, by the way, would be more accurately described as an evolution, since it played out over roughly two hundred years. Will cities as we have known them be necessary in the new digital age? Will they continue to be the hub of commerce or will the commercial environment become more dispersed? Will we really need those high-rise towers or will a new and more permeable kind of commercial accommodation emerge, more closely linked in scale and personality to a denser, co-located residential sector?

One issue which connects the new workplace to its broader context is that of sustainability. Sustainability really has four aspects – environmental, economic, social and cultural – although they are, in fact, inextricably linked. Indeed, this ecology – the inter-relationship of the four aspects – is itself a discovery (or is it a re-discovery?) which has coincided with the technological revolution and the accompanying review of the strengths and weaknesses of industrial society.

Hence, the new workplace seeks to be environmentally sustainable, using renewable resources – or at least using finite resources – judiciously, while also aiming to provide a healthy workplace which maintains the well-being of the people who work there. This, needless to say, helps the economic sustainability of the organisation as does an awareness of the social and cultural sustainability of the workplace – making the workplace socially harmonious and acknowledging its diversity of age, gender, culture and personality.

True to the old industrial model with its emphasis on uniformity, this diversity was once simply ignored. Today it is not only more likely to be acknowledged, but seen as part of an organisation’s potential for growth, increased creativity and productivity. Where not so long ago the aim was to have everyone work in exactly the same way,

today organisations increasingly see the potential in a diverse range of work styles. The aim then becomes to design a workplace which both embraces and exploits the uniqueness of individual workers, while also facilitating collaboration between workers to generate creative synergy.

In any free market economy, individuals and businesses have always sought competitive advantage and this has always involved comparative efficiency, innovation and creativity. Today, however, there is unprecedented emphasis on creativity in a global economy where rapid change is the norm. Hence, another issue for organisations is what kind of workplace environment best facilitates creativity – and by extension, what kind of workplace will attract and help retain the most creative people. The fact is that there is a limited pool of the best and most creative people and the day is long past when employers simply condescended to employ someone. Today, the best talent interview prospective employers as much as employers interview them, because any business recognises that economic sustainability depends very much on the quality of the human resources available to it – and true to the principle of supply and demand, high quality human resources being scarce, they can afford to be choosy. Competitive advantage comes from securing the best talent available.

Finally, the rate of change in society and in the economy has never been faster. This requires business to be highly flexible, both in the way it responds as an organisation to economic, social and technological change, but also in the capacity of its physical environment to respond to those changes. It is now required to be flexible, even on a day-to-day basis, responding to ever-changing needs.

So, change management (the very concept is relatively new) is now a permanent feature of any organisation. It is not reserved for what were once fairly infrequent changes in location or internal lay-out. It is now part of the strategy by which any organisation calibrates its response to on-going and rapid change within its operating context.

We have entered a new era. It has never been harder to foresee what the world will be like even ten years from now. Change is rapid and change is a permanent feature of the contemporary world. Basically, nothing can be taken for granted and any business which continues to rely on imposed, prescribed and inflexible solutions will prove to be unsustainable. To prosper, organisations need to be clear about their values and aspirations. This clarity then provides the basis on which a genuinely flexible, responsive and creative culture can be built.

This book has presented a case study of how a particular approach to workplace design – Activity Based Working – can assist a business realise its full potential by designing work environments which respond to the constantly changing needs of the people who work in them.

Activity Based Working represents a fundamental and supremely rational change in the way we work. Previously, how we worked was dictated by where we worked and where we worked was designed not around what we needed to do, but around other imperatives which, on examination, are really beside the point – line of sight management, the presumed efficiency of having everyone together in the same place at the same time, the assumption that one work style was appropriate for all tasks and all people, and so on.

ABW simply recognises that what we call ‘work’ is a constantly – and today, rapidly – changing phenomenon which needs to be able to adapt to a constantly changing environment. ABW also recognises that any professional role breaks down into a variety of different tasks. Each of these tasks is to a greater or lesser extent unique and, therefore, requires its own time, manner and place of execution. ABW recognises the variety of work tasks and aims to provide a framework flexible enough to accommodate that variety within the overall framework of a company’s values and aspirations.

ABW is not a design philosophy, although one might describe it as a concept which drives design solutions. In the broadest sense, ABW can be understood as part of what is now commonly referred to as ‘design thinking’ – the setting and solving of problems which may have outcomes in the form of products or physical spaces, but which may also be about systems or organisational structures.

ABW is a process which enables the organisations which engage with it to adopt ‘design thinking’ as a means to achieving design solutions appropriate for their own culture and business objectives. It is an inclusive and collaborative process less concerned with providing answers than with helping clients to frame the right questions. The assumption is that the clients know their own businesses best, but need to be able to articulate needs, aspirations and core values in a way which will enable effective design solutions to emerge. ABW argues that how and where we work should be driven by the nature of the work itself, not by a one-size-fits-all physical space or arrangement. It assumes that work itself is a dynamic, not a fixed, phenomenon and that it needs to adapt to constantly changing needs and circumstances. While this may, for example, imply a flexible work environment, ABW does not ipso facto prescribe this.



By initiating a process of critical reflection, ABW is a process which assists organisations to ask the right questions, frame the problem clearly and articulate objectives. This ensures that an organisation is on the ‘right page’ before it moves forward to creating a new work environment. The process then continues on into the design phase, working collaboratively with the client and the designers to ensure that everyone remains on the right page to ensure the integrity of the final outcome.

I asked at the beginning of this final chapter whether ABW was a viable model for designing the workplace of the future or whether it was simply an inevitable outcome of where we are heading in the global, digital age. The answer, of course, is that it is both.

In quantum physics there is a notion promulgated by scientist, Werner Heisenberg, called the Uncertainty Principle. In fact, it is a philosophical concept going back at least as far as Immanuel Kant which argues that reality is not a fixed thing, but a dynamic phenomenon highly dependent on our point of view and on the understanding that we are a part of the reality we are observing. This may seem an obscure thing to introduce at this stage, but in fact it is an apt way of summing up where we seem to be heading. Our era has been referred to as the ‘age of uncertainty’. Here the use of the term ‘uncertainty’ was meant in a negative way, suggesting anxiety and loss of self-belief.

But if we take Heisenberg’s use of the term we understand uncertainty simply as a description of the way things are. Industrial models for how we worked were not simply borrowed from assembly line factories, they also reflected a world view which the poet, Robert Browning summed up ironically in his phrase “God’s in His heaven, all’s well with the world”. In other words, by the end of the 19th Century there was an assumption we knew what there was to know about what the world was and how it worked.

For many reasons, this is no longer the case. The new sense of ‘uncertainty’ means that fixed models no longer work. Precedents may be a guide for how we deal with future problems, but they are not solutions. As Donald A. Schön pointed out, every problem is more or less unique and, therefore, requires a more or less unique solution. In other words, we need to be constantly creative.

Translated into the business or organisational context, survival, productivity, profitability and competitive advantage are all directly related to how creatively we respond to the constantly changing landscape.

ABW, then, is simply the recognition of a contemporary fact – namely, that fixed models of working are not sustainable and that every organisation needs to structure itself in a way which can constantly adapt in a creative way. After all, Darwin’s notion of survival of the species was based on creative adaptation.

So, ABW is a necessary response to the new, ‘uncertain’ landscape of work. At the same time, however, it is an inevitable response to the emerging realities of how we live and work. In this sense, ABW is an intriguing example of how work and life are coming closer together – work environments are looking more like domestic environments, more and more people are working from home, physically work and residential sites are starting to either merge or co-locate and information technology has replaced physical limitations with a ‘virtual’ reality which is everywhere and immediate.

ABW is a strategic approach to creating a work environment which is flexible, adaptive and future-oriented. It is not a prescribed set of answers or solutions, but a process which empowers clients, taking them on a journey, the end of which is to discover a way of working which is right for them.

Since I have already gone left-of-field by introducing Werner Heisenberg into the discussion, perhaps I can let him conclude it. “The value of a policy,” he says, “is not recognisable by the ends it strives for, it is recognisable by its means.”

**“Precedents may be a guide for how we deal with future problems, but they are not solutions.”**



# THINK POD ENGINE ROOM MACQUARIE SKYBOX NEWS

## Key Definitions

**Activity Based Working (ABW):** Activity Based Working or ABW is an integrated workplace model, designed to increase flexibility, collaboration and transparency. ABW comprises solutions in the physical, virtual and behavioural environments. This way of working supports a range of working styles by providing employees with choice in how, when and where they work.

**ABW Strategic Workplace brief:** A description of the elements required in the physical, virtual and behavioural environments to support an Activity Based Working model. This includes a functional description of different fit-out settings. The brief is used by the architect as a basis for test fits and design.

**Balcony time:** The phrase ‘Balcony time’ refers to Macquarie Bank’s notion of reflective time taken by staff to review the progress of a task and ensure it is aligned with the agreed vision and the goals.

**Brand-coherence:** The ability to understand the organisational brand through the building, workspace and the way of working.

**Change champions:** Nominated business representatives who ensure group business requirements are considered and challenge existing routines and processes as well as leading change through the organisation as part of the ABW change process.

**Digital office:** A term to describe the technology-enabled workplace in which people use digital information and are not dependent on paper.

**Follow me technology:** Technology that enables staff to seamlessly connect people and devices, includes mobile telephony and printing solutions.

**Home zone:** A term for an area on a floor-plate that fosters connectedness across a community. On average it caters for 70-100 people is allocated to a group rather than individuals. It typically includes a range of work settings as well as an anchor point that includes a tea point, a utility area, personal lockers and team storage.

**Interpolis:** A Netherlands based insurance company and one of the early adopters of an activity based working model in 1996. A leading example of ABW that still attracts many international visitors.

**Library:** A semi-enclosed shared setting designed for highly focused individual work, similar to what is undertaken in a library.

**Line-of-sight management:** A term that describes a traditional management style that relies heavily upon seeing and reacting to an employee’s actions instead of delivered outcomes. It suggests that the employee must be within view of their manager.

**Meeting pods:** Shared and bookable meeting rooms located at the perimeter of the atrium at One Shelley Street.

**Noffice (‘no office’):** A Veldhoen term that refers to the series of publications on working beyond the office.

**One Shelley Street:** The address of the new Macquarie Bank Building in Sydney which houses the Banking and Financial Services Group. The fit-out is designed as an activity based working model.

**Paper-independence:** Paper-independence (not paperless) is the act of reducing one’s reliance on paper through a gradual process of behavioural change supported by enabling technologies.

**Pilot floor:** A pilot floor is a full scale mock up of a typical ABW floor. It is typically constructed early in the transition to give employees a hands-on experience of ABW. It is a test-bed for the physical, virtual and behavioural elements of ABW as well as a showcase to the wider organisation.

**Plaza:** A shared, unassigned zone which can be used for cross-departmental collaboration as well as individual work. Plaza spaces are typically themed with a different character to support way-finding as well as providing choice based on personal preference.

**Taylorism:** A management model named after the American industrial engineer, Frederick Winslow Taylor. Taylor’s solution to the problem of workers’ inefficiency was the separation of planning from execution. He used the concept of task allocation, breaking tasks into smaller assignments which allows the worker to develop optimum efficiency. It is considered an obsolete management model because of Taylorism’s negative effects on worker morale and a lack of holistic view.





## LIST OF INTERVIEWEES

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**Kim Haywood-Matty**, Head of BFS Culture and Capability  
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**IT'S  
ABOUT  
THE  
JOURNEY**