

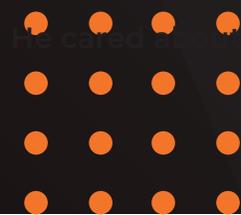
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# The Simplicity and Scarcity of a Plan for Office

**It is said that a plan forms only after a “want to” finds a “how to”. In today’s office environment, I am not convinced that**

“want to” is gaining any traction and “how to” is not even in the picture yet. We try to conjure up wishful enthusiasm for the occasional news of what we seem to want to believe is a return to the tried-and-true long-term lease. We half-heartedly pursue feedback-loop PropTech, only to not act on it when it reveals strong evidence for change. I love a good plan, rooted in conviction, facts and a constant eye towards results and one that a team can own and embrace.

**Trying Harder is not a “Want To”:** We have all been frustrated fans of a sports team that is losing badly, and yet continues to run the same unsuccessful play over and over. I see this playing out in a couple of ways right now in Office. On the revenue side the marketing, sales, and formula remains largely unchanged. Lobbies are redone, vacant spaces dolled up, and competition with other assets that are doing the same things is intense. The word for undifferentiated product competing almost solely on price is called commodity. On the expense side, we are slaves to the budget process. As NOI flattens with no meaningful new ideas for revenue, growth of NOI rests almost solely on expense reduction. I love the elimination of unhelpful or unnecessary expenses as much as anyone, but what it seems to be inducing now are things like the premature abandonment of promising PropTech and loss of focus on the service/hospitality side of the business. When added together, these retrenching behaviors actually start to scream “don’t want to”.



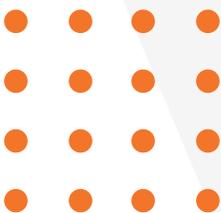
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**Daunting “How To” Influencing “Want To”:** Based on the conversations we get pulled into on a weekly basis I have come to appreciate that the lack of a larger plan for Office stems from the realization many groups are having is that if they commit to rethinking how they own and operate office (“want to”), it will require some significant changes in their basic approach and resulting organizational composition (“how to”). In other words, it is a lot easier to contemplate shaving off a few cents on a contract versus rebuilding and training your entire leadership, operational and support teams in order to drive the business to a service-oriented model with new revenue streams aligned with current and future customer demands.



**Keep it Simple:** One of our taglines at Workng is “to take back control of your asset”. To me that means creating the experience and environment that you would want for yourself as a user of the asset. Why do I like Airbnb so much? Because someone figured out most of my pain points, behavior patterns, and enjoyment drivers, and built a product that aligned well with that (as well as with homeowners). Want to improve rents and loyalty (retention) and just generally make your asset indispensable to company success again? Work like crazy to create a friction free transaction, compelling stories, cohesive offerings that better align with company cycles (yes, flex is here to stay as well as WFH so factor all that in and own it). Induce better retention through a series of interconnected services / offerings (i.e. Revenue streams) by rethinking how to incentivize the teams on the ground to become your secret sauce and always be reaching to maximize the utilization (and resulting revenue streams) of every square inch.



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A couple of weeks ago, in a group of younger moms my wife was mentoring, one of these great young leaders of future generations stood up and made a heartfelt case for other moms to join the Lifetime Fitness we had put in at Greenway Plaza in Houston. She went on to highlight the great features I knew all too well – it was a compelling and sincere offer of real community and support to an audience craving that from one of their own (best possible sales pitch). That was a very challenging deal to get done but it was such a great reminder to me that the conviction behind a “want to” fueled the challenging elements of a “how to” to create a plan that ultimately created a significant value for ownership, a meaningful offering to current and future office dwellers and community members alike, and a lasting and supportive piece of the overall asset strategy. I want to be part of more plans like that – so should all of us.



Mike Fransen  
Founder / CEO, Workng

