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The Op/Ed Page for Virginia's New Economy

Rush Hour Will Never Be the Same

Technology is liberating workers from the tyranny of the central workplace, scrambling commuting patterns in the process. Our transportation policies are sill catching up.

By James A. Bacon

Capital One is conducting one of the more interesting experiments in organizational management today. In its "Future of Work" pilot project, the credit card giant is lavishing funds on a radical rethinking of the relationship between workers and the workplace. If successful, the program will make Capital One more competitive by boosting productivity, giving employees more control over their home/work balance and cutting real estate overhead - all but guaranteeing that the "Future of Work" model will replicate faster than a bird flu virus in a Chinese restaurant.

If the Future of Work meets expectations, it also will send transportation planners back to their computer models to recalculate projections for traffic, congestion and the need for giant tax increases to pay for more roads and transit projects. The United States, with Virginia in the vanguard, is on the cusp of a workplace revolution with consequences for transportation policy almost as momentous as the 19th century migration of the workforce from

scattered farms to centralized factories.

That's a big build-up, I know. What kind of project possibly have such a dramatic effect?

Cap One owes its success in the cut-throat credit card business to an uncanny ability to spew out a continual stream of innovations. Along with its trademark methodology of testing and learning -- constantly testing the marketplace with variations of the basic

credit-card product, and learning from the response -- Cap One regards the creativity of its employees as its greatest sustainable competitive advantage. The company gives inordinate attention to nurturing its collaborative corporate culture: recruiting employees who will thrive in that culture, and equipping them with the tools they need to work effectively in it.

The Future of Work experiment is taking place mainly at the Cap One's West Creek campus, west of Richmond, with a similar arrangement, on a smaller scale, at the company's corporate head-

quarters in Tysons Corner. It grows almost organically out of the company's previous Human Resource initiatives.

When planning the West Creek campus several years ago, Cap One designed the facilities not simply to consolidate a workforce of several thousand employees but to create a physical environment where "associates" could find a workspace that would match their work needs. Whether employees want to zone out while jogging along an extensive network of trails, meditate in a tree house, set up a laptop on a bench outside or conduct a brainstorming session over pizza in "the village," Cap One offers a wide variety of settings in which to work.

The company also has equipped "agile project rooms" with state-of-the-art teleconferencing capabilities to facilitate collaboration over great distances. A digital image of partners or co-workers in other cities appears on a wall-sized screen that makes it appear as if the meeting rooms are physically attached. Thoughts scribbled on white boards appear simultaneously on the white boards of the other room.

Meanwhile, Cap One has established a reputation as one of the most progressive employers in the Richmond region. The company combines



its emphasis on teamwork and collaboration with a sensitivity toward employees' need to achieve a work-life balance. Many Cap One employees enjoy wide latitude about where they work and when they work so they can juggle conflicting responsibilities at home and the office.

Now, pushing the envelope in flexibility and mobility, the Future of Work has abolished the personal desk. Although certain categories of employees, particularly administrative staff, remain tied to a fixed location, most employees are not. They communicate with cell phones, blackberries and wireless laptops. They can work at home, or from the neighborhood Starbucks for all it matters, when their physical presence isn't required at work. When associates know they need to come into the office, they reserve a desk or meeting room for the time they will be there.

"Our work is very technology rich, very team based, very mobile," explains Larry Ebert, vice president of real estate and one of the key players behind the Future of Work. "We enable people to work effectively any place within our campus, or at home, or working at some other venue that is appropriately wired."

For students of transportation policy, the most fascinating aspect of Cap One's experiment is that 1,100 Future of Work associates are working in an office originally

designed for 600. No one is being crammed into Dilbert-styled cubicles. Rather, at any given time, some 500 people are working outside the office -- some in collaborative facilities on campus, others off the campus entirely. The Future of Work is still in the pilot phase and there has been no final evaluation, cautions Ebert, but the indications so far are encouraging.

Just ponder that: A Fortune 500 corporation may have figured out a way to cut its requirements for office space nearly in half. Many of those employees are working at home, or they're driving into work at irregular times. That's a lot fewer people clogging the roads at rush hour.

While Capital One may be the most high-profile company in Virginia experimenting with the relationship between workers and the workplace, it is hardly alone. The Future of Work is part of a broader movement driven by powerful technological forces. Workers are capable of working more autonomously than ever because a tidal wave of technological innovation -- inexpensive cell phones, pagers, blackberries, personal digital assistants, wireless laptops and secure wireless networks -- allows them to work in ways they never could before. They can pack the entire content of their desks, down to the digital of photos of the wife and kids, into their laptops and take it with them anywhere.

And they can stay connected by voice and e-mail.

This is no passing fad like the brief 1990s infatuation with "tele-commuting." The trend is fundamental, driven by literally hundreds of technology companies, systems integrators and management consultants. Just type the phrase "mobile workforce" into Google and you'll find 1,060,000 results. Scroll through, and you'll find the names of hundreds of companies aiming to make money enabling other businesses to go mobile. The makers of microchips and routers, the software developers, the telecommunications giants, all have a stake in making it easier for you to work away from the office.

Technology companies aren't investing billions of dollars on a lark: They see that the nature of work itself is morphing. It's a slow process, but it's remorseless, driven by changes in global trading patterns. Increasingly, the United States is exporting many of the jobs -- manufacturing, call centers, back-office clerical operations -- that require people to work at a fixed location. Increasingly, people are shifting to knowledge-intensive jobs that entail the creation of new products, development of new services and the solving of complex problems, all of which require intensive interaction with customers, partners and suppliers. Those interactions frequently take place outside the employee's home office.

In a recent survey, The Yankee Group, a Boston research and consulting firm, found that 37 percent of the workforce can be considered "mobile." A mobile worker, is one who spends 20 percent of his time away from the primary workspace, says Gene Signorini, research director of enterprise mobility. And he expects the number to increase -- as much as a percentage point per year. "As the mobile technologies mature," he says, "it's easier to become mobile."

Who are these mobile workers? The Yankee Group classifies 45 percent as mobile professionals (IT workers, managers, executives, consultants, knowledge workers). Another 20 percent work in field sales, and another 14 percent of field service. The balance consists of a grab bag of occupations from police officers to delivery workers.

While technology makes it possible for people to go mobile, the business imperatives to do so are those cited by Capital One. A mobile workforce is more productive: People work where they can best get the work done. Not many corporations offer Cap One's fabulous campus setting, but anyone can choose to work at home, out of a coffee shop, in a restaurant or in someone else's office, depending on their schedule and their preferences. A mobile workforce also has higher job satisfaction. Thanks to the ability to always stay in touch, mobile

workers have unprecedented flexibility, which gives them a better handle on their work/life balance. Employees will gravitate to companies whose policies allow them to escape from the office to see little Johnny's soccer game or little Mary's music recital. Finally, a mobile workforce translates into lower office overhead. By dumping the contents of the desk into a laptop, companies can abolish the outmoded practice of assigning a personal desk to every employee and whack as much as 50 percent out of their real estate costs.

Capital One is a leader, but it's hardly the only company coming to grips with the mobile workforce, says John Vivadelli, president of AgilQuest Corporation, a Richmond developer of software that measures office utilization and allows employees to schedule office space and conference rooms. (Full disclosure: AgilQuest is a client of my company, Bacon & Eggheads.) Major accounting firms active in the Virginia marketplace have adopted his technology, as have a number of major technology firms. Even a federal government agency -- the Treasury Inspector General for Tax Administration -- has saved a bundle in reduced real estate leases in a pilot project in Atlanta.

Although companies adopt mobile workforce strategies for their own reasons -- boosting productivity, slashing real estate overhead -- there is a significant benefit

to the rest of us. Mobile workers are far less likely to fighting for lane space as we hop on the same roads driving to the same office clusters at the same times of the day. The greater the number of people who work at home, and the greater the number who delay their trip to the office until after rush hour, the less the pressure on the Virginia Department of Transportation to add more transportation capacity.

Transportation planners make projections of future demand for roads and highways based on past experience. The trouble is, the economy is transitioning to a new worker-workplace model for which there is no precedent. Virtually every observer of the mobile workforce cites as one of the biggest benefits the ability to avoid the stress and frustration of rush hour. Indeed, if congestion continues to worsen, the incentive to switch to a mobile workforce only increases. There may be a downside, however: Mobile workers may spend more time driving from location to location throughout the business day, adding to congestion outside of rush hour. The only thing that seems certain is that the rise of the mobile workforce will scramble all the old commuting patterns in ways that are not entirely predictable.

Sadly, many of Virginia's business and political leaders seem hell bent upon pushing through a major tax increase -- likely \$1 billion or higher -

- based on the conviction that traffic and congestion will continue to worsen over the next 20 years as it has during the past 20 years. I would beg them to first visit the Capital One campus in Goochland County. There, they'll see that the workplace of the Knowledge Economy is changing in profound ways, and so are the commuting patterns of Knowledge Workers. Jacking up taxes without pausing to understand the implications of these societal shifts amounts to legislative malpractice.

If Virginia's legislators don't bother to visit Capital One, they should at the very least heed another experiment, this one taking place in Northern Virginia. Under the auspices of the General Services Administration, Lockheed Martin has set up a network of 15 "telework centers" around the metro area: seven in Virginia, six in Maryland, one in West Virginia, and one in the district.

These centers are typically located only five to 10 minutes from workers' homes. They are stocked with computers, broadband Internet access, printers, lockable personal storage, fax machines, scanners, copiers and other office amenities. The centers offer both public and private workers the flexibility to reserve a workspace whenever and wherever they want. People can make reservations online from home, the office or even while on vacation. If this project is successful, it could become

the prototype for an entire new category of real estate: the neighborhood office.

Drawing upon the experience of Capital One, Lockheed Martin and the growing ranks of other organizations shifting to a mobile workforce, the state could undertake a similar experiment for its own workforce in Richmond for a few million dollars. That would seem a paltry sum in comparison to the billions that legislators want to spend on expensive road and transit projects.

The evidence is there for anyone willing to open their eyes. We're in the midst of a workplace revolution; traffic patterns will change irrevocably. Let us pray that our lawmakers have enough foresight to build a transportation system based on where Virginians are going, not where they are coming from.

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