

Flex Forward

Episode 2: Supporting a Hybrid Future

Featuring Ryan Simonetti, CEO &
Co-Founder, Convene



Transcript

Jonathan Wright:

I'm Jonathan Wright. I'm based in Hong Kong, and I run our flexible workspace consulting business for Asia. I'm absolutely delighted to be joined today by a good friend of mine and someone who's inspired me in the flexible workspace sector for a very, very long time. And we are determined to get Convene to Asia at some point. Mr. Ryan Simonetti, how are you, sir?

Ryan Simonetti:

Good. Great to be on. Good to see you, my friend.

Jonathan Wright:

Great to see you as well.

Ryan Simonetti:

And yes, you need to get Convene to Asia at some point in the future.

Jonathan Wright:

We'll do it. Don't worry. Well, great to have you on and we'll dive straight into the questions. It will be short and sharp. We'll try and keep it to 15 minutes, but I'm sure we might overrun by a little bit.



Ryan Simonetti:

That might be tough for you and me, Johnny.

Jonathan Wright:

I think it will be. We'll do whatever we can.

Well, you guys have done a lot of stuff with hybrid. It's been incredible to see you guys evolve and pivot during COVID-19. I'm sure it's been a testing time, but you guys are still here, and you've been doing an amazing job at supporting your occupiers and your landlord partners.

As occupiers execute on new corporate real estate strategies in a post-COVID world, what does that really look like and what is Convene doing to support that? And what are some of the tips that you can give to the audience that's listening today around that?

What are some of the things that you guys have been doing? I guess coming up to two years now, but in the last 12, 18 months, what are some of the things you guys have been doing around supporting your landlord partners and your customers in terms of hybrid work? Give us a summary of what you guys have been doing.

Ryan Simonetti:

I'd say first, what do they say? Never let a good crisis go to waste. And I think as an organization, as challenging as the last 18 months now have been, we really did use this as an opportunity to rethink our strategy and expand our capabilities to support.

I think what we know at this point is going to be a hybrid future. And I think that hybrid future is going to be really focused on providing employees choice, flexibility, and then really a deep focus on kind of the human experience. And it's going to be a mix of the office, or HQ, it's going to include third spaces like Convene and others, and I think a growing percentage of remote or at home, however you want to kind of think about that.

And for us, we see this as a huge opportunity to kind of think about the integration of physical spaces and experiences, but now also the technology and the digital tools and experiences that really allow our clients and their organizations to do their best work, wherever that now happens.

And we think that this is a big opportunity, not just for us, but also our clients. Because historically, I think workplace strategy was really designed and focused around, well, what is the office strategy? And to me, we're now shifting where the workplace strategy is really going to be now around the individual employee or the workforce itself. And I think there's a huge opportunity as you start to think about designing a human centric workplace strategy as an organization. How do you think about creating an integrated and seamless experience across your corporate office, across third spaces like Convene and others, and now this remote or at home component?

And I think where we've been able to add value and support our clients is one, as a strategic partner, helping them think through what should that strategy actually be. And then, being a company that is probably one, if not the only, sort of end-to-end solutions that, not only can we help support or help you design and deliver the experience in your HQ. Whether it's directly or through one of our landlord partners by amenitizing those assets, but you can also tap into our network of third spaces. And more and more with some of the new capability that we've built from a technology standpoint, including our new Convene studio platform, we're really able to now support our clients' virtual and kind of remote collaboration needs, which we think is really going to be critical on a go-forward basis.

Jonathan Wright:

Yes. If you're a big corporate and you're a big bank or you're maybe a law firm or insurance company, one of the things that we've obviously seen, and I guess I'm stating the obvious, but how important is it to really nail

that tech solution? Because I think from a physical side, Convene are famous for high touch hospitality coming into spaces, and from an occupier side that might not use a Convene workplace experience, might not use Convene for a meeting, but may want to lean on Convene for that technology support and those solutions to really nail the technology side of their corporate real estate strategy.

Number one, how important is that? There's probably a pretty obvious answer and probably a one-word answer. And then two, kind of how you've seen people really do that, the offering to be able to keep that and really nail that tech solution, but keep the seamless kind of online/offline experience for their employees and keeping people engaged. Is there anything that you would say that you've seen or observations that you've seen people use and you've adapted? It's a pretty long question now, but how would you kind of unwrap some of that?

Ryan Simonetti:

Well, the first thing I'd say is you can't execute a hybrid strategy without technology. And it's not a single piece of technology. It's multiple pieces of technology that need to be stitched and integrated together to really create a seamless experience, and also to provide your workforce the tools necessary to be really productive. I kind of think about the complexity that, not only are we solving, but our clients are solving, and landlord partners are solving, is this integration of space, service and hospitality, and technology. And how do you integrate those three things together? And it's not possible without technology. I would say technology is probably the most important part of the equation, and it's the one place where you can actually create true consistency.

If you think about a hybrid, let's just say spatial strategy, which includes a corporate HQ, an at-home office where your employees are doing their work. Third spaces, which there's not going to be a single third space provider, especially for larger organizations, they're going to have to tap into multiple. There's no way you're delivering a consistent physical experience across those different components or touch points, but you can create a seamless technology experience. And so, we think that that is core to the strategy.

And there's a lot of existing technologies or a lot of new companies that are seeing this challenge. And there's companies like Convene, where not only are we going out and picking best in class technology partners to stitch together, but we're also building our own proprietary software and technology, in particular around the meeting event conferencing and collaboration experience, to really support our clients and make sure that they can deliver a great workday experience wherever it happens across that spectrum.

Jonathan Wright:

Yes. I mean, you're obviously doing a great job of that. And some of the innovation that you guys have come out with in the last 12 months has been great for the industry. Whose responsibility do you think that that is? Whose door do you think that lands on? Do you think that lands on an occupier's door to support their employees? Or do you think it lands on a landlord's door to help those occupiers support their employees? Or do you think it's both?

Ryan Simonetti:

I think that responsibility is shared. I think the complexity that we're collectively solving for, it's the responsibility of the company and the occupier, who's technically responsible to their workforce to create a great experience. It's, I think, more and more the responsibility and the burden of the landlord to amenitize and provide the infrastructure. And that's both the physical infrastructure, the services and hospitality infrastructure, and the technology infrastructure, so that when companies do choose to office or make their HQ in an office building, that the landlord is doing more, not less, to support them. And then there's a tremendous amount of pressure on providers like Convene to listen to both the needs and challenges of our corporate customers, as well as our

landlord partners and really help be the bridge and take on the complexity that I think is really going to be hard for either to solve for.

And it's not about designing beautiful, kind of high-impact spaces. I think a lot of people can do that. The challenge is in, how do you actually service and operate them? How do you deliver a high touch human experience that is hospitality first? And how do you stitch together and integrate the technology to power that experience, not just onsite, but more and more, leveraging that technology to expand outside of the office and the building to better support and engage a remote or distributed workforce. And that's everything from the collaboration technology, it's around content and programming, and community engagement that happens not just on site, but also digitally. And we've been able to execute and support our landlord partners and our clients in kind of the technology and digital side of this over the last 18 months. And it's an area where we're going to continue to invest heavily.

But I think the responsibility is shared, and yes, there is more pressure on all of us today than there was 18 months ago, including landlords. I think the idea of flex and amenitization and the technology experience went from a nice to have to a must have if you want to be a competitive, class A office building.

Jonathan Wright:

Agree. Yes, I mean, we said this before we came online, but definitely preaching to the converted here. And some of the observations that we're seeing, not just in Asia, but globally, is landlords thinking beyond flex. And that's kind of become a little bit of a phrase inside of Colliers now, that there's definitely a need for flexible workspace, depending on how you categorize that, but there's a need to go way beyond that in terms of the hospitality part, the technology part. And then it's a case of, how does the landlord integrate all of that? And I'm interested to hear your view. Maybe it'll be a little bit biased. But is that by bringing together different operators, like a specific wellness operator, a specific F&B operator, a specific flex operator, or is it using one operator to do the whole lot? My view is it depends on the building and it depends on what you're trying to solve for, but interested to hear your view.

Ryan Simonetti:

Well, I'd break that question into two parts. The first is, as a building owner, should I do this on my own? Which I think there has been many landlords that either have thought about that or have tried to execute that. Or should I outsource it to somebody else? And in my opinion, the competencies and capabilities and focus required to do this really, really well, given how dynamic this is and how fast this is changing, I would say right away, outsource.

And then the question is, if you're going to outsource, do you outsource to multiple providers, or can you outsource to a single provider who might also be subcontracting to others?

And so I think you're going to see different landlords approach this in different ways. Selfishly, since it's our strategy, I've always believed if I was a landlord, I'd rather just partner with one firm that would then be responsible for curating the different experiences, even if they're outsourcing or subcontracting to others. To me, it's just simpler. But I do think we'll see different approaches play out over the next few years.

Jonathan Wright:

Yes, I think some of the work we've done is really going through a process with that landlord. And we've done a lot of a landlord consultancy projects on some major developments in Europe and in Asia. And it's really been about, for us, helping a landlord follow that process. And then trust in what outcome that process gives you, in terms of the parts of the jigsaw that you want to deliver, because you might not need to do all of those things. And then trust in that outcome from that process in terms of the operator selection, whether that's individual parts or whether that's one operator. And I think it's a little bit horses for courses and it depends on the

building and what they're trying to solve for. But I think my view is always to try and trust that process and get to an outcome, rather than trying to jump to an outcome.

Ryan Simonetti:

I completely agree with that approach. And also, the amenitization and flex strategy also has to integrate with the retail strategy at the building. And I think really thinking about those two things together, as opposed to in pieces, also has to be a part of that process. And that's something that, I think thankfully we're starting to see more and more, is that the retail strategy and the broader building amenitization and experience strategy. They're starting to be integrated in a way that I think also allows ... As you said, every building's a little bit different, and if you're going to have an incredible wellness operator in your retail, why would you replicate that in your amenity's strategy? You kind of have it already there. So again, I like that. Trust the process. That's something we talk about often.

Jonathan Wright:

Definitely. I think you've got to go through a process and trust the outcome that process throws out.

I'm going to round us out here with asking you to, I know you do it at the end of every year. You dust off the crystal ball. I know we're a little bit early. You usually do it towards the end of the year. But if I could ask you to dust it off again, especially for Colliers today, and give us your three big predictions. And I'm going to say, rather than for the flex sector, for the office market. Because I know your view is the same as this, but my view is flex and the office are one and the same now. I don't think we're dealing with two different things. So, I'm going to say, dust off that crystal ball and give your three big predictions for the office market.

Ryan Simonetti:

So, I'm going to start with one, just to throw it out there, because I know there's been a lot of talk of death of office, and I do not believe that at all. I honestly believe in this new hybrid world; the office is probably more important than ever to organizations. And I believe it's purpose within an organization is different. It's really a center of collaboration, of culture. It's the place you bring your organization and your clients together. So, I just want to throw that out there for all the office landlords out there that might be questioning if they're in the right business anymore. Personally, I'm still very bullish on the sector, more broadly speaking. I think that'll kind of go into some of my predictions, or at least trends that we're keeping an eye on.

And I'd say the first, and this was happening pre-COVID, but has accelerated dramatically is, the flight to quality is accelerating and will continue to accelerate across all markets. This is no longer just an urban thing, but also in suburban markets. As I think companies do start to think around, I don't want to call it really hub and spoke but are more open-minded to putting offices in distributed locations, including kind of really dense, well accessible kind of core suburban markets.

I'd say the second thing is, for building owners, this whole idea of delivering flexible spaces, amenities, experiences in buildings, is going from a nice to have, meaning you could be successful without it, to a must have. And you will see more and more landlords quickly move up the adoption curve and commit more and more of their square footage and assets to these sorts of uses, which I think is obviously really exciting when you're a company like Convvene. And what I also like about that is, the capital markets are finally going to be forced to figure out how to value these things. And to me, that's always been holding the industry back. And my sense is, as more landlords commit, the capital markets are going to have to evolve quickly to not just value, but also validate this on a go-forward basis, which I think is huge for the industry.

And then I'd say the third thing is this integration of hospitality, technology, and wellness, which I think needs to be thought about broadly. It includes sustainability. It includes the air quality. It includes offering wellness



services in a building. Will, without question, drive the future of office building design both physically, but also experience design.

Jonathan Wright:

Fantastic. I agree with all three of those.

Jonathan Wright:

Ryan, it's been fantastic. It's been great to have you on. Thank you so much for joining us. It's been an absolute pleasure. It's great to see you. It's great to catch up. And I can't wait until we catch up again in person.

Jonathan Wright:

Looking forward to it. Thank you, Ryan. Take care, everybody.

Ryan Simonetti:

All right. Thanks a lot, Johnny. I appreciate it.

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