

Flex Forward

Episode 6: Leveraging hybrid office solutions

Featuring Mike LaRosa, Upflex (Director of Channel Partnerships)



Transcript

Will Burchfield

Will Burchfield from Colliers here with a special guest today, Mr Mike LaRosa, who is the director of Channel partnerships at Upflex. Thanks for coming on, Mike.

Mike LaRosa

My pleasure, how are you today?

Will Burchfield

I'm good, I think it would be beneficial for the viewers and listeners to understand what Upflex is, where the platform started, where it's iterated over the last few years and just a quick background on the business.

Mike LaRosa

I would love to share that story. Upflex has been around just over four years and the start of the company really came from the collaboration of co-working. Our co-founders met in a coworking space, of which one of them, Christophe, was the owner of Spark Labs in Manhattan and has a track record for attracting international businesses or companies that were looking to expand into North American markets. Ginger, our other co-founder, a Canadian but also Indian Southeast Asian, has brought companies over to New York. She was working as a member and started talking to Christophe, it really shows the spirit of collaboration. Upflex as a platform is far more than a space booking aggregator, which we get labeled as, which is understandable. It's a platform that was



designed to help large enterprise organizations of all sizes, to have the ability to not only manage their flex workspace spend, but better analyze and understand how their people were working. Upflex was designed originally as a HR solution, and its pivoted countless times over four years, like many startups do. Not to mention its survived a pandemic, and it's difficult to be selling flex workspace when no one is actually going to the office. I know, you know that first hand, we have really exciting partnerships where we're working with phenomenal global firms such as Colliers where it's not just as colleagues, but as partners. We power your mobility pass and some of your flex offerings so it it's been exciting to see how Upflex has positioned itself in this market.

Will Burchfield

I agree and I think it's vitally important for businesses of all shapes and sizes.

Putting aside the real estate hat for a second, you know the pivoting, the iteration, the change and the learnings. This period has been unlike any other, we all now have had an opportunity to put on our creative hats and see exactly into the crystal ball, to see what it looks like and try and figure out exactly what the backend solution could be for all businesses and solutions. I think from the real estate side of the business, as you mentioned, Upflex powers our Colliers Mobility Pass platform, which is our global on demand aggregator solution for our large enterprise companies and others, to use space sort of as they need it. I'm curious as you're on the forefront of these conversations, not only with Colliers, but with enterprise clients that Upflex works with directly. How are you seeing companies visualize the hybrid world? I think everybody has an understanding that hybrid means different things to different people. That's not that's not a new thought, but I know that there are certain companies, cultures, DNA's that are approaching this return to the office and hybrid work incredibly differently. What sort of trends are you seeing around that word hybrid and what it might mean?

Mike LaRosa

I'll tell you it's the Wild West and having a front row seat, I'm so grateful because companies are approaching it from completely different perspectives and with different goals in mind and with different expectations. I think that first things first, we need to always remember that labels are helpful, but they are not the end all be all and so hybrid will be different for not only every company but every department, every different team within an organization. Not a client of ours, but Ford Motor Company was very early on leading the way, stating that direct line managers would have the approval to define what hybrid work policies were best applicable for their own teams, delegating that decision making which was insightful. One size does not fit all when it comes to hybrid let alone within a single organization. I think that's the first big takeaway, and that speaks to, without making it sound like a shameless plug, one of the reasons why we've seen such exciting growth and new opportunities in the last six months. We're beyond just an aggregator, we support all different types of flex, workspace. Flex workspace is flexible to a point, and when you apply some technology to flex workspace, you can make it not only more flexible, but also more efficient. Just because your real estate is flexible does not mean it sufficient, and I think people assume it does.

Will Burchfield

Are you referring to a certain type of technology to enable a workspace to become more flexible. Are you talking about like data and utilization metrics? What exactly are you referring to?

Mike LaRosa

Knowledge is power. There's a plethora of different solutions out there that are in the integrated workspace management solution field, but they're limited to what they can do, primarily internally as it relates to campuses or visitor mail package management. Technology that has been limited so far, it relates to all the on-demand locations or all these different coworking spaces and flexible workspace providers that people are looking for. The Upflex platform allows an occupier to merge not only the utilization their people are using for third party spaces, coworking spaces all over the world, but also their internal bookings and their internal utilization. And it also allows for us to bring increased sufficient spend to the dedicated private offices. Just because you have 20 people in Sydney Australia on your team, doesn't mean you need a 20 desk office, which I know the real estate people may be hating on me for saying that, but its just fact of the matter everyone now knows that with hybrid, very few people are still actually at their workstation, dedicated unless you know, unless your industrial production or unless you're dealing with specific type of equipment, you know. But we've seen coworking spaces even for architects, where they can share drawing boards. People like working from home, so I think that's what the hybrid has been most insightful that it's not just a oh, let's shut down all the offices, no, no, no, no companies are still going to have offices, but it's what type?

Will Burchfield

I think to Upflex's narrative, the hub and spoke model, I know you were about to touch on it. We work with clients globally who are require a high-level diagnostic, and this is where flex solutions can be a permanent solution, either alongside an existing space, or if there's a lease break coming up, or to certain worker type that might not necessarily benefit from being in an office five days a week from nine to five. The commute kills creativity, and with that comes the need for space that's a little bit more tertiary. Employees are commuting for an hour and a half to downtown New York City, from Westchester or further out. How great would it be to have a place they can drop into that's a 5-minute bike ride from their home and they can get home earlier and feed their kids dinner. I think the hub and spoke model, which has been around for quite some time, but is now really sort of gaining traction again. I think the Upflex platform is where we've seen conversations envelope around this sort of hub and spoke model. Have you had any case studies or any sort of high-level scenarios that you want to talk about in regards to hub and spoke, I know you deal with those conversations on a daily basis.

Mike LaRosa

I'd love to share the story of our partner that we've both. They started out with one or two hubs in a year, we're now up to 15 hubs, so they are, rolling down offices in select markets. Sometimes they're not shutting down the office entirely, sometimes they're just taking less space. They're looking at what space they have, and what space they need to keep, and then they're also identifying a lot of folks that can work hybrid or can do more from home. And then there are signing them dot, and them assigning them these hubs and spokes.

Will Burchfield

It's the full gamut of the real estate solutions, sort of coming to fruition, in one little package.

Mike LaRosa

Yeah, and you said it, you hit the nail on the head, what you just said it's not new. None of this stuff is new, Regis has been around for 30 plus years. What's new is identifying how you can leverage technology to make that space more flexible or to make your real estate spend more efficient. That's where all these new advances are coming from. I've worked with a few different solutions out there, and I've worked with a few different firms and everyone's got a different perspective on it. There's a thousand different kind of shapes, colors, sizes and flavors, and I think that we're all starting to realize that whatever solution gives you the most option is really the best because, these large companies now understand there's not one single flex solution. Flex is a practice, and I know I'm preaching the choir and that's what you do at Colliers so well, is that it's really this whole spectrum and you need to understand that you're going fall on different parts of it to ensure that your employees are being the most productive they can. That's ultimately what the goal is, right?

Will Burchfield

I agree. And there are two points here that I want to quickly hash out. One of which, you touched on the end there is, our employees are now at the forefront, which they clearly should have been, and have been in some regard. But employees are now given ultimately in most cases and in certain cases clearly more than others, the flexibility within their working environments. To go ahead and find some sort of solution for them that ultimately makes them the most productive, makes them feel like they're still part of the team, they're still part of the organization, but this new notion of an employee dictating the solution. How do you envision that over the next 12-18 months, knock on wood as the pandemic continues to settle down and things return back to some sort of normalcy. What do you think is going on there with that employee notion of now having more say and more voice, and obviously, labor markets are incredibly tight. We all read the stats of people leaving their jobs left and right and I'm curious to hear your take.

Mike LaRosa

I'm so glad you brought that up. I've spoken with organizations recently that have quietly admitted, "You hear about the great resignation, we're kind of experiencing that", so I think first and foremost employees are voting or voicing their issues by just quitting. However, I'll share this little anecdote very briefly, the last trip I did to New York, I do these monthly work trips now where we fly into New York to meet as a team. I'm at my hotel bar, and I meet a woman who's sitting next to me who's also in town for work, you can tell as we are on our laptops, and she comes to New York twice a month. Her team is all here, but she's always been based in Cleveland or Columbus, somewhere in Ohio, and she drives an hour each way to go to the office. And she said that, she drives to the office now twice a week and she does it only for her focus stays. She tackles her meetings at home, but she wants to focus at the office even though her teams in New York. The biggest insightful takeaway was that I asked, who came up with that policy and she said I chose the two days a week myself. The company let me choose and I really am happy with that, however if they didn't let me choose and they told me I had to be there two days a week, I probably wouldn't be happy. And that was the biggest ah-ha moment that I had had in a long time, here's an employee acknowledging that the decision, whether it was hers or the company it was the same decision, but she was happier that it was hers. What we see is a lot of organizations are looking for a solution, such as Colliers Mobility Pass, to help control the employee decision-making process so that the employee still feels that they

can open up an app and they can search for a space that's been curated or approved by their employer. They can book it when they want, how they want, where they want, but they have still made that decision and I think that's where this is going. It's about enabling employees to make those decisions, but then how do you oversee the administration of those decisions? How do you manage the finance and the payment of those?

Will Burchfield

Is the change management aspect of a full-fledged remote office first hybrid environment? Do you think that's hard on companies? Do you think that they're scared to implement certain plans because of the change management aspect of this process?

Mike LaRosa

It's sad to say, but I think a lot of them aren't even scared because they don't understand that they need to. We've worked with a thousand plus employee companies, that really thought that we were just going to switch on a flex workspace solution for their entire employee population like a flip of a switch.

There's a lot of learning that that we have to do and we have to do a lot of teaching. There's a lot of learning on the client side, I should say.

They don't even know that they need to be worried, and then when they start realizing it, before you know it they are being passed around like hot potatoes. So generally, someone in finance or real estate is making the overarching decision, but when it comes to the implementation and the management of the program, it could be vastly different. It could be facilities, real estate, finance, HR operations. I am seeing a lot of companies starting to get smart and being proactive, and if they haven't already, they're now saying "ok, we need a committee". That's how it's starting to workout, companies are forming cross-functional committees, focus groups that are doing surveys to inform how they're going to do it.

Will Burchfield

Our process internally when we speak to our clients, is that the upfront discovery phase of a consultancy project around Flex and what the future looks like for certain enterprises. That discovery phase really opens up an incredible number of questions and ultimately there is some concern from the enterprise level, but you know that discovery process, the understanding of worker types, business units. Tell me quickly on the back-end system of Upflex with the data and the dashboards, does that ultimately ease some of these concerns? You can trial a solution like an aggregator model for a handful of employees, or a certain subset of worker bees, whatever it may be.

And ultimately from there be strategic about how you would want to roll out this platform, but that discovery process, you can learn a ton through this data tool that you have created on your back-end systems.

Mike LaRosa

It's really fascinating because the platform was built primarily as an enterprise management solution, not a workspace booking tool, this was all integrated from the get-go. We can track by team, by user type, by role, by job title, by assigned location, or assigned HQ, or all of the above. You can see what types of spaces your employees are using, how often they're using it, you can start identifying historical trends, for example at the end of the quarter the sales team starts spending more money on meeting rooms, because they're trying to close deals with clients. You can also start course correcting or change management behavior, for example we've seen that you made a habit of canceling meeting rooms last minute, so when you do so within the cancellation window, we get penalized. So you can coach and try to reduce spend that way. Also, it's fascinating is that we're barely just scratching the surface, but we can start identifying cross functional collaboration. If you've got people that are in different departments or different teams that the company might not realize are interacting with each other often, but they're sitting on the same meetings or they're booking the same workspace, you can start identifying those types of trends. We've got a full open API, so you can export it into your existing business intelligence tool, you can start layering that technology or that that data with other data streams from programs such as Workday and you can become quite insightful.

Will Burchfield

I think the more visibility you can provide, ultimately the better off a business will be, through platforms such as Upflex. The real estate world has never been incredibly tech forward, but I think we're entering a new era with proptech and the community. I think everybody is starting to understand that with the advent of new technologies comes at a much-needed time for change, and a handful of enterprise footprints and at least real estate strategies that need to be considered a little bit different moving forward.

I'm curious what you think, given your background, which is vast in this sort of coworking space. Where do you think the future of flex will be over the next few years?

Mike LaRosa

From a multi-national global real estate view, I think that flex is actually probably going to become the core of most occupier spend. I think that the tables are going to be flipped, and flex forever has been an add-on or an auxiliary type solution, something to supplement. I truly think that flex using the most broad-term possible is really going to become the core. Look at where everything is going. We are seeing flex evolution happening in warehousing, in industrial solutions, in commercial kitchens, ghost kitchens, delivery service type of solutions. It's going to become the new normal without sounding too cliché.

Will Burchfield

Landlords are building out flex offerings left and right in order to diversify and capture more tenant base. We think the future is incredibly bright, the space is incredibly busy right now. I think Upflex is at the forefront of a really interesting shift to an employee-based need for work. You guys have done incredible job creating the platform, pivoting where needed. You and I have worked hand-in-hand tirelessly throughout many months here in order to bring this type of product to the marketplace. And I just want to thank you for your time again, Mike LaRosa, the director of Channel partnerships at Upflex.



Mike LaRosa

I really appreciate not only the partnership that we have powering your Colliers mobility pass, but also appreciate you inviting me and asking me to participate. This was great.

Contact

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