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In most organizations, the top three investments include human capital, real estate and technology. Corporate real estate (CRE) is where the intersection of these three assets converge, enabling organizations to accelerate performance and achieve better outcomes, or to lose competitive advantage that will not likely be recovered. The workplace and workforce are connected by the technology-driven data that binds them in a trifecta of synergistic possibilities.

Meanwhile, CRE is moving into a more powerful position within organizations than ever before, including the long-sought-after seat at the corporate executive table. Leaders are faced with decision-making that must balance resource allocation for traditional business analytics and reporting systems that collide with the need to explore emerging technologies and predictive analytics.

What’s fueling this need for change? Data. Much of the impetus for change is driven by data and the accelerated pace of advancing technologies, including artificial intelligence, machine learning and blockchain. It’s about the data culture and the digital ecosystem to support it that exists within each organization. It’s about making investments in acquiring and building skills that didn’t exist just a few years ago. It starts with the tone at the top of the organization.

Change management cannot thrive without effective change leadership that is initiated in the corporate suite and conveys support for innovation at every level of the organization. “What’s wrong with status quo?” Everything. “Let’s wait and see what happens” provides a disincentive for creativity and innovation and invites your team members who are interested in moving forward in their careers to accelerate their exit strategy – maybe even to your competition.

Innovation, by its nature, requires an increased tolerance for risk and increased financial support to fund it. It can be an unsettling time for CRE leaders who have been planning for the next phase of their lives after they leave the industry. The speed with which technology is advancing in other industries is staggering and signals a compelling need for the real estate industry to take steps to catch up.

The new organizational culture is focused on the data—sometimes extraordinary amounts of data. It’s not about how much data can be
collected and stored; it’s what you do with it that matters. Challenges include how to extract information from the data that drives the organization, who has access to it, who controls it and who owns it. The demarcation line between IT and business units that fostered a lack of communication and collaboration and that siloed operations and processes must be replaced with an environment that encourages and cultivates creativity. It doesn’t stop at discussing new ideas but moves the ideas through proof-of-concept models to pilot projects at an accelerated pace with hybrid teams that include IT and business units with shared responsibility and accountability.

In Prosci’s “Best Practices in Change Management,” 2018 Edition, when asked to identify key contributors to the success of their change initiatives, participants identified active and visible executive sponsorship at the top of the list. This executive sponsorship has been No. 1 on the list of top contributors in Prosci’s benchmarking reports for 20 years. High-performance change leadership has remained a constant for success.

Participants in this same annual study identified the lack of effective change sponsorship from senior leaders as their primary obstacle to success. This lack of visible and tangible support is more than an ominous cloud of confusion and mixed messages. It instills uncertainty around support for the initiatives that can make the organization a leader in the industry or a laggard that puts the organization in a position of competitive peril.

In the September 2018 McKinsey Quarterly Report, an article entitled “Why Data Culture Matters” by Alejandro Diaz, Kayvaun Roshankish and Tamim Saleh reports on research that suggests an increasing gap between leaders and laggards in adopting analytics. Their research recognized the critical nature of a healthy data culture and the competitive advantage that accompanies it. This healthy data culture brings together data tools, talent and decision-making in a new reality.

A healthy data culture is fueled by a digital ecosystem. What’s a digital ecosystem?

A digital ecosystem is an information-enabled network of collaborative internal and external business partners who use technology to connect strategies, business functions, competencies, and actions that cultivate innovation and lead to better business outcomes.

An effective digital ecosystem creates an environment that fosters collaboration among individuals and harnesses technology to achieve better outcomes. Like an ecosystem in nature, a digital ecosystem sustains and supports growth. The data that feeds the digital ecosystem is multifaceted, with a need for effective data management and governance. A thriving digital ecosystem requires establishing data standards, data aggregation and integration using information from multiple sources, and addressing transparency and security issues.

The most difficult thing is the decision to act. The rest is merely tenacity.”
— Amelia Earhart

**Build your organization’s ecosystem**

The human component of the digital ecosystem should not be minimized. It is as important as the data that feeds the ecosystem. So what are the next steps in building this ecosystem?

- Start with the data. Multiple platforms that don’t communicate impede your progress and can have long-lasting negative effects that diminish your competitive position.
- Build your organization’s internal support for data standards and effective data governance. It starts at the top.
- Identify the business case and its role in your organization’s strategic priorities.
- Help your team members acquire needed skills for the digital world and connect the dots as to why this is important for them and the organization.
- Create an environment that fosters and rewards collaboration.
- Identify additional change leaders and managers within your organization who will commit the resources to move ahead.

Sponsors are change leaders who provide support and remain a visible presence throughout the project. They help navigate stumbling blocks that threaten the outcome through delays that can arise for a multitude of reasons, including lack of shared vision. They activate the resources needed to move ahead, and it’s not just about the money. Resources include building skills needed today and for the future within your organization to effect change at a significant pace, including digital competency. They are critical to the optimal success of each initiative.

Change leadership is challenging and requires a higher tolerance for risk in a data-driven world and a commitment to building an effective digital ecosystem that is capable of advancing the organization. In a recently posted job opening for a CRE change-management leader, required qualifications included strong leadership, organizational and interpersonal skills, and a demonstrated ability to drive change and generate innovative approaches and solutions to create a team that powers a “best in class” global organization. Are you ready?

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