



CEU accredited presentation sponsored by S. Rose Company and Haworth, Inc.

Not Just Bricks and Mortar

Is the current model used to construct building interiors providing clients with the ability to solve today's business challenges in the workplace? A new model for real estate delivery is inevitable! Clients are beginning to demand workplace environments that change with their business cost-effectively. This program explores how true value and real estate performance can be unlocked when good design, planning, and client perspectives are delivered in a holistic and integrated manner.

Bill Black is currently the Director of Haworth's Strategic Sales. He works with prospective clients, design teams, and contractors to evaluate the cost effectiveness of modular office interiors. These financial validations cover tax depreciation, the cost of ownership, and the overall value of high performance real estate solutions.

Thursday, March 23, 2006

*3 Sessions available:

8:00—9:30 AM

11:30—1:00 PM

5:15—6:45 PM

**30 minute registration/networking at the beginning. Come early to meet other designers, architects, and real estate professionals in and around Cleveland.*

Where:

S. Rose Company
1213 Prospect Avenue
Cleveland, OH 44115
216.781.8200

RSVP by March 16:

Joanna Barrett 216.658.5113
Seating is limited so register early!

CEU Forms Provided
0.1 CEU ASID/IDC/IDEC/IIDA #4689
AIA Course #HAW524 INCLUDING HSW

Not Just Bricks & Mortar
By Bill Black
Director, Strategic Business Solutions – Haworth, Inc.

Course Information

Course Title: Not Just Bricks & Mortar

Subject Code Index: 5. Technical Knowledge; 3. Bldg. Construction & Materials
Secondary: 2. Interior Design 4. Sustainable Design

Use of Course: CEU Manual

Materials for Review

Course Objectives: During this presentation attendees will learn and gain new insight into the importance of value and performance in Real Estate and the way in which high performance design linked to business and financial strategies will create the ultimate facilities for clients.

Content Outline: (each section must be broken down in minutes to total 60 minutes)

- I. Introduction: The session begins with a brief introduction of the 4 levels of performance criteria and measurables for Real estate performance namely – Facility, Human, Organizational and Business. (10 minutes)
- II. The main body of the presentation then deals with the obstacles and misconceptions that lie behind the flawed perspectives as to real estate and then offers solutions and new perspectives that solve these challenges. (40 minutes).
- III. Detailed Example –A Case study that implemented some of the concepts is provided with the results that validate the results of the strategy and summarizes them on a financial and sustainable basis – (10 minutes)
- IV. Q & A – Questions and or discussion is encouraged after the 60 minutes subject to the time that attendees have. – (10-15 minutes).

Target Audience: Senior Designer, Principal/Partner, Intermediate Designer, Junior Designer, Educator, Student.

Course Description: This presentation discusses how a low expectation of real estate performance on the part of clients, along with the ultimate commoditization of the entire supply chain, including losing sight of the value of good design, has eclipsed the true value and performance that can be unlocked when good design, planning and client perspective are delivered in a holistic and integrated manner.

Contact Hours: Course will consist of one hour of contact time.

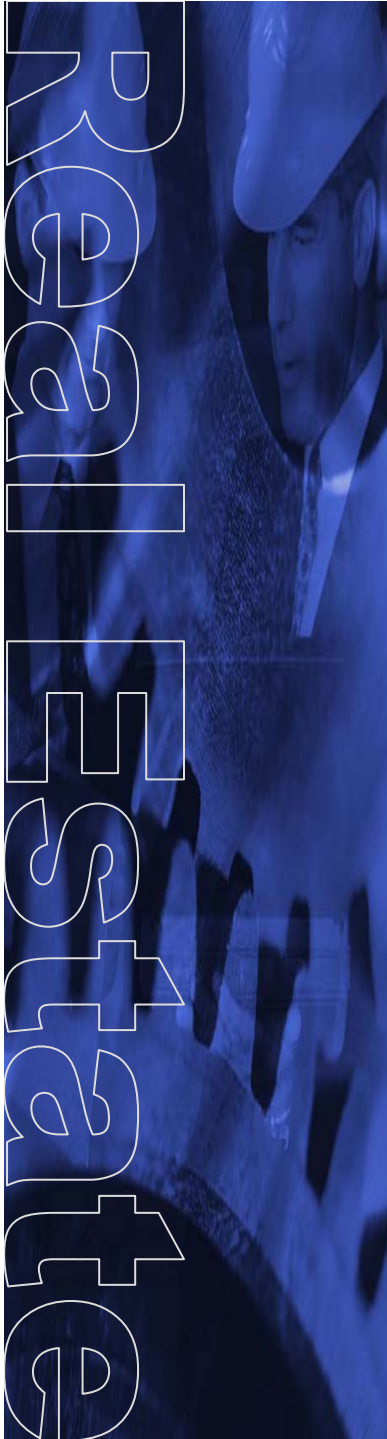
Delivery Methods: Individual speaker, PowerPoint presentation via computer/projector, Q/A period.

Prior Course Presentation: Course was presented at NeoCon 2004 as part of the Merchandise Mart seminar schedule.

Real Estate

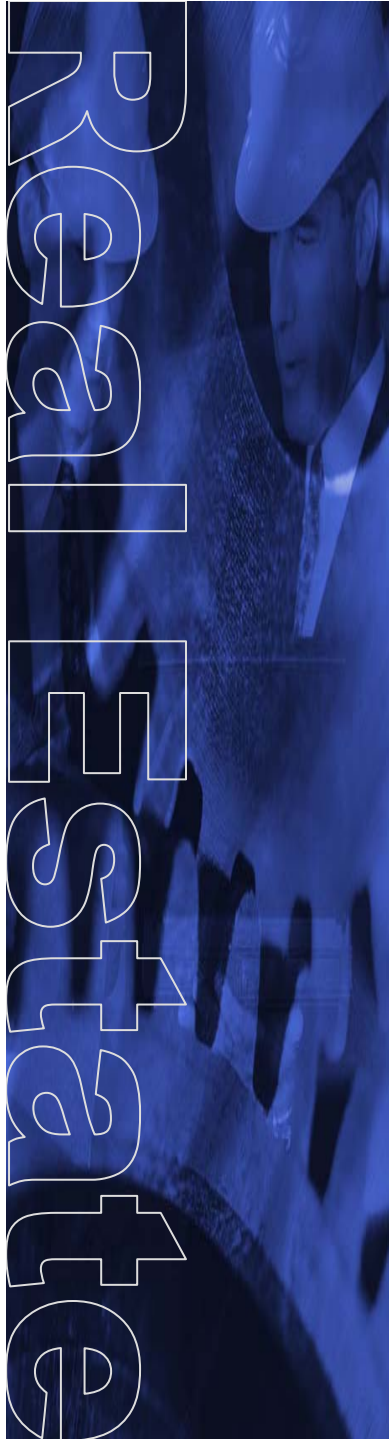


It's not **JUST** bricks & mortar...



Low Expectations = Low Performance

- commoditization to force costs down
- supply chain supports low expectation
- supply chain is disconnected
- supply chain tries to profit from low expectation
- no innovation
- low motivation to change
- innovation is met with suspicion
- value is met with skepticism



This totally eclipses the true value & performance that can be **unlocked** when real estate :

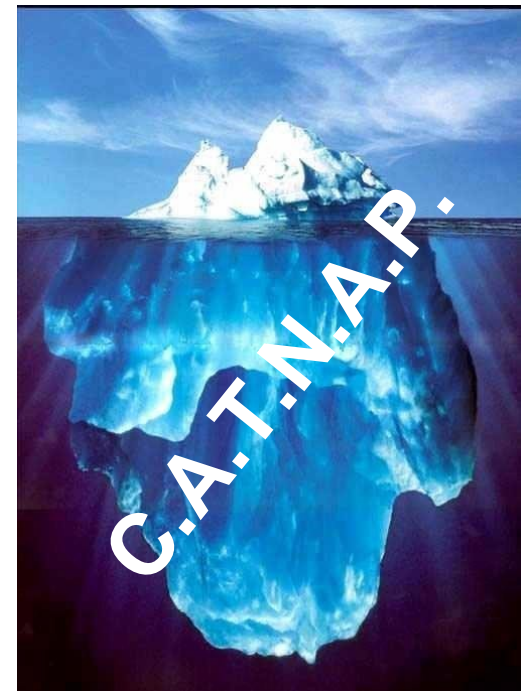
- is planned, designed & delivered based on holistic solutions and budgeting
- is aligned with the business
- can evolve with the business
- can enhance human performance
- is considered over the ownership cycle
- is reduced as an overhead
- follows green building concepts



LOW PRICE \neq VALUE

“Low bid is an impediment to quality, progress and innovation.”

- lowest consulting fees possible
- lowest leasing costs
- lowest contractor/sub-trade bids
- e-auctions
- lowest vendor costs
- cheapest products and equipment



“PRICE is what you pay VALUE is what you get”

Warren Buffet



Opportunity Perspective :

- real estate is a "PROFIT CENTER"
- real estate = "INVESTMENT SPENDING"
- exit strategy should built into the SOLUTION
- real estate Strategy MUST align with Business
- you ARE in the Real Estate Business

Recognition of these and the application of a holistic approach is the where the real **OPPORTUNITY** lies.



STRATEGY

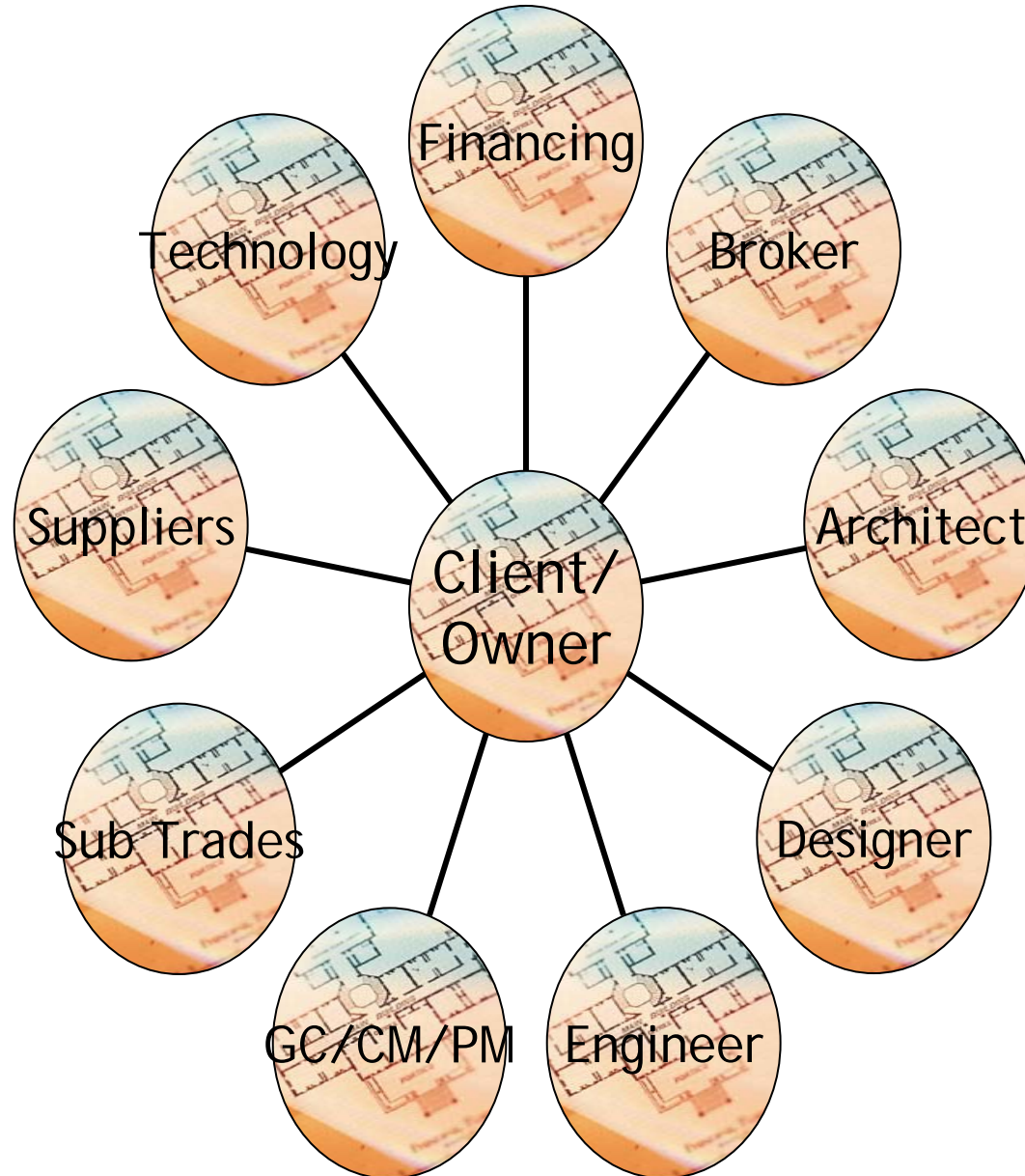
- The old paradigms must change
- Programming is a prediction
- Stop viewing only as line items

Look for the holistic impact of Synergistic Savings

- **Building Orientation**
- **Efficient process**
- **Raised floor**
- **Structural Height**
- **Modular Technology**
- **Efficient HVAC**
- **Movable walls**
- **Daylight**
- **Efficient lighting**
- **Energy Efficiency**



Integrated Method





Looking beyond the lowest bid... WHERE IS THE REAL MONEY?

- efficient process and cost savings
- sft/person – sliding doors, flat screens, consolidation
- energy efficiency – lighting, heat loads, HVAC
- tax depreciation
- flexibility with speed and no downtime & disruption
- reusable/adaptable solutions
- speed to market – faster schedule
- human performance – Ergonomics, lighting & air quality
- increase the building value – increase NOI
- attract and retain

Real Estate



It's not **JUST** bricks & mortar...

"OPINION IS THE ENEMY OF CHANGE..."

*POOR UNDERSTANDING, WHETHER
WILLING OR INADVERTENT, IS THE
ALBATROSS OF PROGRESS*

Acknowledgements:

Alan Whitson

KPMG

KSBA Architects

IFMA Benchmarking Study 2002

Natural Capitalism

Devon Energy

User Effective Buildings - Aardex Corporation