



Knowledge Workers and Economic Development

Phase I Report to Policy Council
(Including Phase II Recommendations)

Prepared by

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for
WIRED West Michigan

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Executive Summary

This report has been prepared for the WIRED Policy Council as a summary of our Phase I research and Phase II recommendations. It provides a brief overview of the Remote Work Center concept that is at the center of this Innovation, followed by a recap of our finding that there is a strong potential market in West Michigan for a network of as many as fifteen Remote Work Centers across the region.

We believe that such a network of privately owned and operated Remote Work Centers would significantly enhance West Michigan's ability to retain its existing base of knowledge workers. Furthermore, there is strong anecdotal evidence that, as the region's economy becomes more and more knowledge- and innovation-based, the existence of these Remote Work Centers will also make it easier to recruit new talent from outside the region.

This Innovation is based on a core belief that the most critical resource for driving economic growth today is talent – and that talent will be attracted to a region that provides low-cost, easily accessible workplaces and work support services that nurture the growth of new businesses and support the existing workforce by reducing commute times and traffic congestion.

We are convinced that a network of Remote Work Centers in West Michigan will provide a wide range of services to local employees and entrepreneurs, including a learning center for professional development and a range of community-oriented services that will bring members into contact with each other for business and professional development purposes – a critical component of innovation that we have identified in our research here and elsewhere.

During Phase I we established an Advisory Council of local business and civic leaders and conducted basic market research to establish the potential demand for the services that Remote Work Centers would provide. In addition we identified three high-potential but distinctively different locations (Muskegon, Newaygo, and Ada) where the potential demand is particularly strong and the likelihood of success is high. Local leaders in all three areas are very interested in serving as prototype sites for Phase II.

The Phase II work plan outlined in this report will produce two critical deliverables: (1) a regional marketing plan designed to educate and inform local business and community leaders about the changing nature of work and the role that remote work centers will play in enhancing West Michigan's attractiveness to knowledge workers; and (2) a "Remote Work Center Business Planning Toolkit" that will provide local investors and entrepreneurs with a powerful head start on developing and launching remote work centers. The toolkit will include an overall description of the RWC market research and planning process, as well as pro forma budgets and operating plans.

We are now seeking Policy Council approval to implement the Phase II work plan.

Overview of Proposed Innovation

The purpose of this Innovation project is “to develop sufficient market intelligence to specify the economic development impact of creating regional work environments that meet the needs of the emerging skill requirements for the innovation economy.”¹

Mission and Purpose

Our goal is to stimulate the market for a regional network of Remote Work Centers that will:

- ◆ offer low-cost alternative work sites and professional development opportunities to more than 2000 knowledge workers in West Michigan;
- ◆ enhance the attraction and retention of skilled knowledge workers; and
- ◆ reduce traffic congestion, energy consumption, and air pollution.

We believe these Remote Work Centers will contribute to making West Michigan an attractive region in which to live and work. The Advisory Council for this Innovation shares that belief and fully supports moving beyond talking about it to creating the knowledge and resources needed to achieve this goal.

In addition, this innovation will help redefine West Michigan’s “brand” by helping the region to become:

- ◆ a center of design expertise (it will support and enhance the Design Council Innovation);
- ◆ known as the home of the innovation economy (nurturing startup businesses and supporting “free agents”);
- ◆ a great place to work and grow your business (developing an “export” sector for the design/innovation-based economy); and
- ◆ attractive to knowledge workers from other locations.

What is a “Remote Work Center”?

Remote Work Centers are a specific manifestation of what many people call “third places.” The concept of third places seems to be missing in most current discussions of workplace design. “Third place” is a term first used by author Ray Oldenburg way back in 1989.² By that he meant places that are not living areas and not “offices” *per se*.

¹ From the original charter documents <citation to be added>

² *The Great Good Place*, Paragon House Publishers, 1989

In our minds, work-oriented third places, or what we have come to call “Remote Work Centers,” are typically smaller facilities or operations (10,000 to 14,000 square feet in size) where people gather for a variety of reasons and to do a variety of different things.

Remote work centers are clearly an adjunct to traditional “corporate” offices and home offices. Our research shows that workers of the future will most likely be spending approximately 40% of their time in corporate facilities, 30% in a home office, and the remainder in a “third place” (actually, that time will most probably be spent moving among a variety of third places over the course of a week or a month).

We believe these new kinds of workplaces will rise in usage and become very common over the next several years for a number of reasons:

- ◆ Organizations want to move away from a fixed-cost structure to variable cost models in order to reduce capital requirements and risk, while increasing their agility and responsiveness to changing environments;
- ◆ Remote and mobile workers do not have adequate alternative meeting places, office services, or technical support that are either affordable or convenient to their residential locations;
- ◆ Home-based independent workers also need and want more support and services because their home-based workspaces are limited and they generally have almost no useful meeting space. And like mobile workers they also have a need for office services and technical support.
- ◆ Workplaces that are closer to residential neighborhoods and used several days a week instead of commuting to a more distant center-city facility will clearly reduce traffic congestion, air pollution, and gasoline consumption – thereby saving individual workers both time and money while simultaneously contributing to a “greener” environment.

Existing workspace offerings typically do not deliver everything that is needed at one location (that is, to meet all his or her needs an individual must go separately to a variety of different places like Kinko’s, Staples, the UPS store, Starbucks, hotel conference rooms, and so on).

Our vision of remote work centers includes a number of attributes and services that go well beyond existing models of shared offices (such as those provided by firms like Regus, Inc.³). We have developed an operating model that includes the following kinds of facilities and services:

- ◆ shared, “touchdown” workstations
- ◆ conference rooms of varying sizes
- ◆ “back office” support – printing, copying, faxing, etc.
- ◆ informal areas for conversation, lounging, getting coffee, etc.
- ◆ video conferencing services
- ◆ reception, telephone answering, mail delivery, overnight shipping services, etc.

³ <http://www.regus.com>

- ◆ tech support
- ◆ a learning center, with courses and seminars offered by local community colleges and other specialized educational providers
- ◆ meeting rooms available to local businesses, civic groups, and professional organizations

There is little question that remote work centers will add value to the West Michigan economy and help improve its ability to attract knowledge workers from other regions. We also believe that a network of these remote work centers will be perfectly positioned to serve as “infrastructure” for many of the other WIRED innovation efforts, such as the Entrepreneurial League, WorkKeys, and other efforts aimed at reskilling the local workforce.

Project Overview

In Phase One we conducted a number of executive interviews and collected core demographic and economic data to determine whether there a basic business case for local investors to develop one or more Remote Work Centers⁴ as a means of attracting, supporting, and retaining talented knowledge workers.

During Phase One we established an Advisory Council composed of interested business and civic leaders from across the region; a list of the current Advisory Council members is contained in [Appendix B](#).

We also interviewed almost thirty individuals (many of them are now on the Advisory Council) to hear their perspectives on the economic and social challenges facing West Michigan. Those conversations also gave us an opportunity to discuss the role that remote work centers could play in helping the region attract and retain talented knowledge workers. The list of individuals we have spoken with is contained in [Appendix C](#).

In our initial working paper we discussed knowledge work and knowledge workers this way:

The broadest view of knowledge work is that it is an activity that either requires specialized knowledge or skills, or creates new knowledge. In contrast to physical labor, knowledge work focuses primarily on creating or applying information or knowledge to create value.

So what exactly is a knowledge worker, and how can the nature of his or her work be described? At the most generic level, the term “knowledge worker” refers to individuals who possess high levels of education and/or expertise in a particular area, and who use their cognitive skills to engage in complex problem solving.⁵

Wikipedia defines a knowledge worker as someone “who works primarily with information or one who develops and uses knowledge in the workplace.”⁶

⁴ See our Working Paper, “[Remote Work Center Market Segmentation](#)” for a general description of what we mean by Remote Work Centers and what kinds of knowledge workers we believe would benefit from membership in a shared work center.

⁵ Sulek, J. M., & Maruchek, A. S., A study of the impact of an integrated information technology on the time utilization of information workers. *Decision Sciences*, 23: 1174-1191 (1992).

⁶ http://en.wikipedia.org/wiki/Knowledge_worker

Babson College Professor Thomas Davenport, who has probably studied knowledge work and knowledge workers more than almost any other active scholar today, has this to say about the concept:

*"I certainly think there's a lot of fuzziness, ambiguity, and imprecision about what a knowledge worker is, and it's not a term most managers use easily. They don't say, "Okay, these are my knowledge workers, these are my non-knowledge workers." So despite the fact that the term's been around for a long time, very few people have been comfortable using it as a managerial concept."*⁷

In spite of Professor Davenport's concerns, however, we are comfortable with the notion of a knowledge worker as someone whose primary job function involves activity related to either creating or applying information and/or knowledge.

However, not all knowledge work is "location-neutral" that could – at least in theory – being carried out effectively from almost anywhere:

For example, an engineer working with specialized high-tech equipment would most likely not be able to afford multiple installations of that equipment at, say, several corporate locations and a home office. And some knowledge worker tasks do require physical proximity to other people. While there have been some advances in surgical robotics, we don't expect to see surgeons performing remote operations from their spare bedrooms in the very near future.

The difficulty with generalizations about knowledge workers is that knowledge work is inherently diverse and varied. Almost any definition of a knowledge-based job will include some tasks that are essentially location-independent, but only some jobs have become totally "post-geographic."⁸

It is important to remember that there are actually two distinctive kinds of "customers" for remote work centers: investors/entrepreneurs, on the one hand, and "members" on the other (the "members" are the retail market – those knowledge workers who would make use of the work centers).

We found high and widespread levels of interest in remote work centers among local investors and entrepreneurs. And there are many civic leaders (e.g., presidents of local Chambers of Commerce and economic developers) who are also strongly supportive of the concept.

We also conducted basic research to identify the market potential for remote work centers. We found that there is clearly significant potential demand, as Table One, below, shows.

⁷ From an interview conducted by *Ubiquity Magazine*, available online at: http://www.acm.org/ubiquity/interviews/v6i34_davenport.html

⁸ See our WIRED Working Paper "[Knowledge Work and Knowledge Workers](#)" for a more detailed discussion of these concepts and their relevance to defining the market potential for remote work centers.

Table One: The West Michigan Market for Remote Work Centers

Category	2002	% Total	2012	% Total	% Change ('02 – '12)
Total Workforce	610,724	100%	695,506	100%	13.8%
Knowledge Workers	336,407	55.1%	398,941	57.4%	18.5%
Location-Neutral Workers	148,068	24.2%	150,222	21.6%	1.4%

Source: Michigan Dept of Labor and Economic Growth—Long Term Occupational Forecast, March 2007

In summary, if there is a primary potential market of 150,000 knowledge workers in the region, a 5% penetration of that market would be 7500 people or Remote Work Center members. The preliminary financial models indicate that to be sustainable a center requires a monthly average of about 350 members. Regionally, then, there is a potential for up to twenty Remote Work Centers. The secondary market would be over double that. Our conclusion is that sufficient overall market size exists.

In Phase Two, given our finding that the market potential for remote work centers in West Michigan is significant, we will develop and turn over to WMSA a regional marketing plan for remote work centers, as well as a business plan template and a regional community toolkit that will provide local investors and entrepreneurs with a “recipe” for launching as many Remote Work Centers as they believe can be financially and operationally successful in the region.

We also conducted more detailed market potential analysis for three specific areas where there was strong local interest in developing a remote work center: Muskegon; Newaygo County; and Ada. Each of those smaller geographic areas looks highly promising, based on our completion of WDC’s proprietary Feasibility Analysis assessment. The “RWC Scorecard” for each of those three areas is summarized in [Appendix E](#).

A more detailed description of our proposed Phase II work plan is provided later in this report.

Vision Statement

In five years there will be a regional network of Remote Work Center in West Michigan that provides shared sustainable work environments for over 7500 people. The work centers will connect the West Michigan talent pool to global knowledge work networks for both corporate employees and small businesses. These centers will provide a number of support services at rates at least 40% below those available from traditional centralized offices.

For the individuals using these centers there will be a 40-50% reduction in commute times, traffic congestion, environmental pollution, and the cost of transportation.

In part because of this network of remote work centers West Michigan will have a re-vitalized brand as a regional center of world-class design and innovation services. This brand will be defined in large part by the social networks fostered within and among the remote work centers. The region will become a magnet for talent with a reputation for growing and nurturing entrepreneurial business development. West Michigan will be a place to come to where you can grow your business in a family-friendly, tightly-knit community.

Assessment Against Innovation Criteria

Performance Improvements

In our experience there is solid evidence from other regions around the country of the potential for strong performance improvements, including reduced commuting time and expense; reduced environmental impacts; reduced cost for employers, and enhanced talent attraction and retention. However this West Michigan innovation is still too early in its development to measure these kind of impacts.

Financial Sustainability

In Phase II we will prepare detailed financial models that make a plausible case for the financial sustainability of an individual Remote Work Center. This Innovation will achieve significant scale through private market development following the completion of Phase II. There are no other examples of similar business models that could be used to verify the underlying validity of our assumptions of financial viability.

Scalability

The research and planning process developed during Phase I provides a foundation for creating replicable Remote Work Center designs across the region.

The major remaining open question concerning service delivery centers around what types of support services offered within individual remote work centers (e.g., sales to corporate prospects, tech support, educational programs, videoconferencing, etc.) could be provided most effectively by a national network management entity rather than being developed independently at each individual work center.

This question will be tested through detailed conversations with a sample of potential service providers during Phase II.

Business Plan Elements

The Business Plan Template that we will prepare during Phase II will include the following components:

- ◆ Strategic assumptions about the market for Remote Work Centers and their connection to economic development
- ◆ Definitions of target market segments and customers
- ◆ Core product/service offerings for the network of Remote Work Centers
- ◆ Core business processes necessary for a Remote Work Center to thrive
- ◆ Competitive analysis
- ◆ Business design:
 - Organizational structure
 - Partner and alliances
 - Regional involvement in the innovation
 - Management and staffing
- ◆ Operations and Implementation Plan (one year)
- ◆ Financial Plan
 - Pro-forma P&L and projections
 - Strategy for financial sustainability
- ◆ Key Performance Indicators and Scorecard

Strategic Issues

There are a few strategic issues that remain to be addressed.

Competitor Analysis

There are several other well-established models for shared workplaces in the market, including some from large national organizations that have recently located in West Michigan.⁹ An extensive competitive analysis remains to be completed. However, our preliminary reconnaissance indicates that the price points for the “real estate only” solutions (which constitute the only real competition) are about twice those projected for the Remote Work Center business model we are proposing.

The traditional business models we are aware of rely almost totally on leasing space as a source of revenue, whereas the WIRED Remote Work Center model we are proposing derives more than 50% of its revenue from services. Appendix E includes a preliminary competitive

⁹ See, for example, <http://www.regus.com>

analysis based on a strategy canvas that we developed using the book *Blue Ocean Strategy*¹⁰ as a source.

Benchmarking

One of the deliverables for Phase I that has not been fully completed is a benchmarking of West Michigan against some other communities regarding their strategies to attract and retain knowledge workers. That analysis will be completed by mid-June, early in Phase II.

We have identified a number of local communities in other parts of the country (including other WIRED initiatives) that we want to examine in some detail. Our preliminary finding is that only one other community (Mesa del Sol, in Albuquerque, New Mexico) is working on a comparable strategy that complements the traditional economic development focus on attracting businesses with a parallel emphasis on attracting knowledge workers.

Local Leadership

There must be a clear strategy for transitioning leadership for this Innovation to local champions. The Phase II work plan calls for forming partnerships with local leaders in each of the prime Remote Work Center target locations. During Phase II the Innovation Champions (our Advisory Council) will become advisory resources to those community leaders as they assemble local groups of interested investors and partners.

We believe the transition from vision to action and from a research orientation to action-oriented local leadership will take approximately six months. We have already identified interested local leaders who are associated with the Chamber of Commerce in Muskegon, the Economic Development Office in Newaygo, and the township of Ada.

In addition, there other seriously committed members of our Innovation Advisory Council who we are already encouraging to become much more actively involved in advocacy through public outreach (some of them may actually be potential investors in private ventures to build out one or more Remote Work Centers). They will serve as a powerful channel for disseminating project knowledge and lessons learned to the general public.

Support Infrastructure

There is not yet a clear picture of what kind of shared support infrastructure is needed for a network of Remote Work Centers. We have identified at least two key support functions that are economically sustainable within a regional, or larger, network: corporate sales and educational program coordination.

We believe that in West Michigan those functions could be provided by a local business or institution. For example, Johnson Controls might be positioned to handle corporate sales and Grand Valley State University could certainly serve as a training and education partner for the

¹⁰ W. Chan Kim and Renée Mauborgne, *Blue Ocean Strategy*, Boston: Harvard Business School Press, 2005.

regional network of Remote Work Centers. A portion of our effort in Phase II will be devoted to identifying these sources and vetting them for interest.

Measures

The initial work on regional impact measures is a good start. However, a more formal scorecard should be developed in Phase II that includes specific measures, operational definitions, and target achievements. In addition to traditional financial measures we will develop a set of “triple bottom line” metrics and include them in the proposed “Regional Community Toolkit” for interested investors and entrepreneurs.

Investment Proposal and Phase II Work Plan

Our picture of success for Phase II of this Innovation is that a regional network (a minimum of three remote work centers) will be ready for launch with private funding as we complete our work. Market buzz has already begun, and communities, potential investors, and prospective work center members are actively seeking more information. The local leadership team is strong enough to carry the plan forward.

To achieve this vision we propose to conduct two major activities during Phase II:

1. Develop a Regional Marketing Plan

- Task 1: Identify key stakeholders and prospective customer/member groups (such as major employers, local business groups, and professional associations). We have actually already begun this task; requests are currently being fielded for community briefings and interviews with key regional employers and professionals.
- Task 2: Recruit three local advisory groups in Muskegon, Newaygo, and Ada, to serve as prototypes for the RWC development process. Recruitment is underway through our Advisory Council.
- Task 3: Hold public meetings to educate potential investors and entrepreneurs about the Remote Work Center concept. Inform them of the Marketing Plan and Toolkit that we will produce during Phase II and solicit their input and guidance.
- Task 4: Document this process for the public and produce a brief “Regional Marketing Plan” campaign (to be developed in conjunction with the WIRED West Michigan communications resources).
- Task 5: Develop a proposal for a West Michigan *World Congress on the Future of Work*, to be privately funded and delivered in 2008. This national event, based on a model previously delivered in San Francisco and Philadelphia, would showcase the region by bringing senior executives from national corporations and public agencies together for several days of conversation about the future

of economic development, workforce development, and corporate location strategies.

2. Develop a Remote Work Center Business Planning Toolkit

Task 1: Develop an outline and table of contents for the toolkit, to be approved by our Advisory Council. A preliminary outline of content areas we recommend including is included as Appendix G

Task 2: Develop all of the materials for the Toolkit.

Task 3: Prepare a prototype five-year operations plan and pro forma budget, including preparing a discrete market feasibility research plan and a capital requirements worksheet.

Task 43: Design a “regional infrastructure” RWC support organization, including a business opportunity briefing with firms such as Johnson Controls, Herman Miller, Haworth, Steelcase, and any other interested local organizations.

Cost and Time Estimates for Completing Phase II

We estimate that the total cost for Phase II to be \$102,000 (including professional fees, travel, and administrative expenses), with a completion date of December 31, 2007. No additional follow-on funding will be requested.

WIRED Innovation Proposed Budget Expenses 2007									
Knowledge Workers and Economic Development Innovation									
Phase 2: May - December 2007									
Grant Number: 226029									
	(\$ X 1,000)								
	May	June	July	August	September	October	November	December	Total
Revenues									
WIRED	10.75	13.75	11.25	15.25	13.75	12.75	13.75	10.75	102
Total									
Program Expenses									
Consultants									
Regional Marketing Plan									
Task 1: Stakeholder Management	2	1	1	1	2	2	2	1	12
Task 2: Local Advisory Groups	1	1	1	1	1	1	1	1	8
Task 3: Public Meetings	1	1	1	1	1	1	1	1	8
Task 4: Communications Plan	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	4
Task 5: World Congress Proposal	0	0	0	4	0	0	1	0	5
Sub-total									37
Remote Work Center Toolkit									
Task 1: Outline Development and Approval	2	2	0	0	0	0	0	0	4
Task 2: Five Year operations Plan and Pro Forma	0	4	5	5	1	0	0	0	15
Task 3: Regional Infrastructure and Opportunity Briefings	0	0	0	0	4	4	4	3	15
Task 4: Toolkit production	1	1	1	1	1	1	1	1	8
Sub-total									42
Administrative Expenses									
Program Support	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	2
Travel	3	3	1.5	1.5	3	3	3	3	21
Total Expenses	10.75	13.75	11.25	15.25	13.75	12.75	13.75	10.75	102

Appendices

- A. About Work Design Collaborative
- B. KWED Advisory Council Members
- C. Interviews conducted during Phase I
- D. Working Papers Prepared During Phase I
- E. Remote Work Center Scorecards for Muskegon, Newaygo, and Ada
- F. Remote Work Center Competitive Analysis
- G. Draft outline of content areas for a business planning “toolkit”

Appendix A : About Work Design Collaborative, LLC

The Work Design Collaborative, LLC (WDC) has grown out of a groundbreaking research and development project, "The Future of Work" that began in early 2002. Jim Ware and Charlie Grantham joined forces and recruited several corporate sponsors to address questions about how changing workforce demographics and values, new technologies, and new workplace designs were driving transformation in the very nature of work.

WDC now represents the combined interests, resources, and experiences of Jim and Charlie over the past 25 years. Our partnership has grown out of 10 years of collaborative research and consulting in information technology, human resources, and facilities management

Today the Work Design Collaborative, LLC, provides leadership and infrastructure services for the *Future of Work* community, a global network of resources – practitioners, thought leaders, researchers, and senior consultants – who are committed to building and implementing physical, social, and technology-based work environments that are cost-effective, socially and environmentally responsible, and personally satisfying.

WDC and *Future of Work* are focused on understanding and shaping the future of work and helping both organizations and individuals achieve new levels of workforce and workplace productivity. *Future of Work* produces and distributes management tools, surveys, benchmark databases, white papers and technical reports, conferences and workshops, newsletters, books and articles, and public presentations on the changing nature of work.

WIRED West Michigan has contracted with WDC to investigate the feasibility of establishing one or more remote work centers within the seven-county region of West Michigan. The goal of these remote work centers is to provide physical facilities and infrastructure support services to both organizational employees and independent entrepreneurs on a low-cost shared basis. It is our belief that these RWC's will support and enable the transition of the economic base by making it easier for the region to attract and retain talented knowledge workers, and by enabling and fostering growth in new small businesses.

Direct inquiries to either Charles Grantham at charlie@thefutureofwork.net, or James Ware at jim@thefutureofwork.net

Appendix B: Advisory Council Members

◆ Penny Ladd	E.L. Ladd and Co. (Chair)
◆ Micki Benz	St. Mary's Health Care
◆ Andy Bowman	Grand Valley Metro Council
◆ John Cleveland	WIRED
◆ Michelle Cleveland	WIRED
◆ Kysha Frazier	Cascade Engineering
◆ Ellie Frey	Second Story Properties
◆ Greg Metz	Lott3Metz Architecture
◆ Ann Kuzee	Irwin Seating
◆ Cindy Larsen	Muskegon Chamber of Commerce
◆ Andy Lofgren	Newaygo Cty. Development Office
◆ Lorrissa Macallister	ProgressiveAE Architecture
◆ Joanie Reid	Herman Miller
◆ Phil Rios	WIRED
◆ Chris Winczewsky	X-rite

Appendix C: Interviews Conducted During Phase One

◆ Ginny Baxter	Herman Miller
◆ Guy Bazzani	Bazzani Associates
◆ Micki Benz	St. Mary's
◆ Arn Boezaart	Muskegon Comm. Fndn.
◆ Andy Bowman	Grand Valley Metro Cncl
◆ Rick Chapla	The Right Place
◆ Sam Cummings	Second Story Properties
◆ Marty Dugan	Unaffiliated
◆ George Erickcek	Upjohn Institute
◆ Ellie Frey	Second Story Properties
◆ Bing Goie	Eastern Floral
◆ Jay Hoekstra	Grand Valley Metro Cncl
◆ Fred Keller	Cascade Engineering
◆ Beth Kelly	Crandall Partners
◆ Penny and Jamie Ladd	E.L. Ladd & Company
◆ Cindy Larsen	Muskegon Chamber
◆ Andy Lock	Herman Miller (Policy Council)
◆ Andy Lofgren	Newaygo Cty Econ. Dev.
◆ Lorissa MacAllister	ProgressiveAE
◆ Greg Metz	Lott3Metz Architecture
◆ Amy Miller	ReMax of Grand Rapids
◆ Greg Northrup	WMSA
◆ Mike Ramirez	Herman Miller
◆ Phil Rios	WIRED
◆ Joanie Reid	Herman Miller
◆ Milt Rowher	Frey Foundation
◆ Mike Sayfie	Alticor
◆ Randy Thelen	Lakeshore Advantage
◆ Dean Whittaker	Whittaker & Assoc.'s
◆ Chris Winczewski	x-rite

Appendix D: Working Papers Prepared During Phase I

Note: Links are to downloadable files containing each of the working papers.

1. [“Remote Work Center Market Segmentation”](#) (January, 2007)
2. [“Knowledge Work and Knowledge Workers”](#) (March, 2007)
3. [“What Attracts Knowledge Workers?”](#) (March, 2007)

Appendix E: Remote Work Center Scorecards

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Muskegon Scorecard

Numbers Dashboard

Population	170,000	Green
Growth Rate	7.1%	Yellow
Employment	75,376	Green
Knowledge Workers	4,457	Green
Out of Area Workers	17,788	Green

Funding Availability

Public	Green
Private	Green
Philanthropic	Yellow

Support Variables

Economic Development	Green
Community	Yellow
Environmental Impact	Green

Note: These figures based on 2000 US Census data



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Newaygo Scorecard

Numbers Dashboard

Population	47,874	Green
Growth Rate	25.3%	Green
Employment	20,096	Yellow
Knowledge Workers	4,022	Yellow
Out of Area Workers	9,445	Green

Funding Availability

Public	Yellow
Private	Green
Philanthropic	Green

Support Variables

Economic Development	Green
Community	Yellow
Environmental Impact	Green

Note: These figures based on 2000 US Census data



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ADA Scorecard

Numbers Dashboard

Population	13,700	Green
Growth Rate	14.7%	Yellow
Employment	7,057	Green
Knowledge Workers	5,010	Green
At-Home Workers	346	Green

Funding Availability

Public	Yellow
Private	Green
Philanthropic	Yellow

Support Variables

Economic Development	Yellow
Community	Green
Environmental Impact	Green

Note: These figures based on 2000 US Census data



Draft
 April 6, 2007

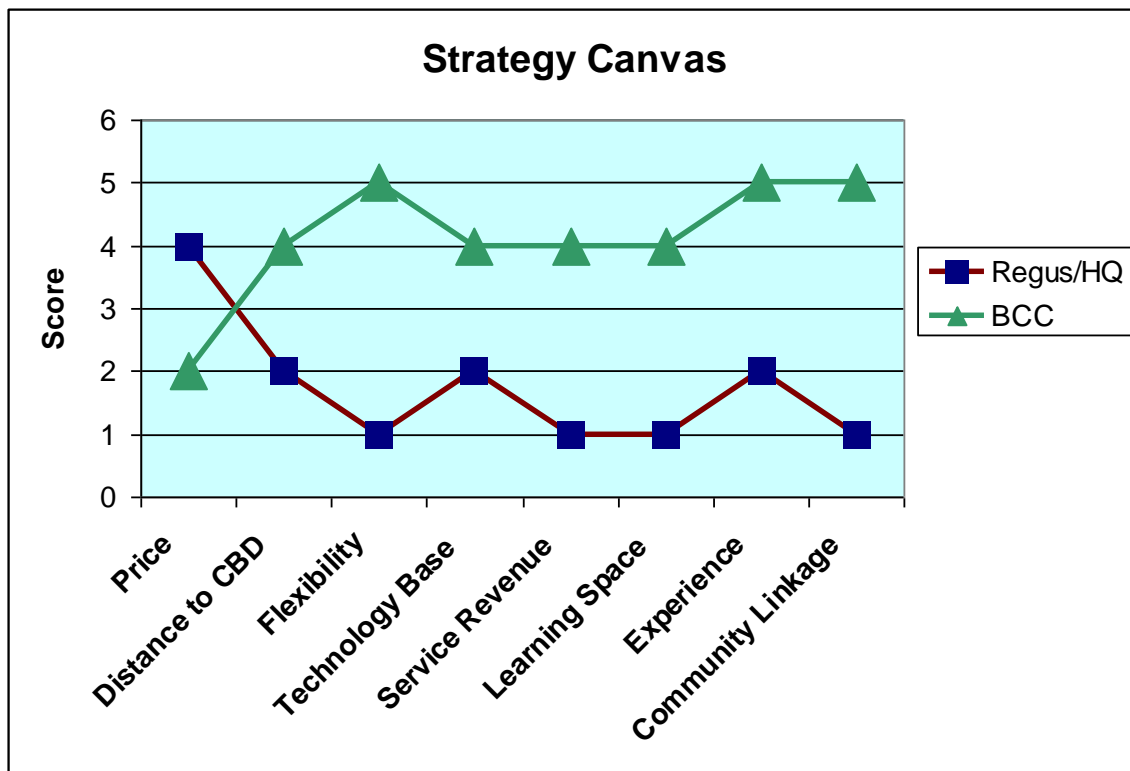
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Appendix F: Competitive Analysis

Blue Ocean Strategy Canvas for Remote Work Centers



Dimensions of the Canvas:

Price – Cost of membership and/or access. Our cost is a combined low initial fixed-price membership for access, with additional costs based on actual usage.

Distance to CBD – Our locations tend to be further from the Central Business District (of a major metropolitan area), thereby reducing commute time for members. These locations also typically reduce parking cost.

Flexibility – Our hallmark is flexibility of space depending on current needs. Members can use a small office one day, a touchdown space the next, and different conference room configurations as needed.

Technology Base – Our technology base is a pure Internet play with Virtual Private Networks to connect to proprietary servers. Internal technology is secure wireless, with WiMax for wider reach in suburban and exurban areas.

Service Revenue – Our business model envisions at least of 40% of revenues being generated eventually through services such as technology support, administrative services, and discount purchases on other support offerings (e.g., Tech Support, video conferencing, etc.).

Learning Space – Our business model explicitly incorporates on-site and distance learning opportunities in partnership with local educational institutions to support competency development of RWC members. In addition, the RWC Learning Spaces will be available to local civic and nonprofit groups on a free or highly discounted basis to build good will and support community development.

Experience –The “look and feel” of the workplace. RWCs are designed to be more residential in nature and in particular to foster an experience of community and connectedness.

Community Linkage – RWCs are a center of community work and learning. Unused space (and in particular the Learning Center) can be leased at a nominal rate to local civic groups and non-profits. RWCs are designed to be the new “town square” and/or town hall, following “New Urbanism” principles.

Appendix G: Remote Work Center Business Planning “Toolkit”

Preliminary Draft Outline

- 1) What is a Remote Work Center?
 - a. basic concept
 - b. features and benefits
 - c. linkage to talent attraction/retention
- 2) The Economic Development Perspective
 - a. Focusing on talent as well as business attraction
 - b. Role of Remote Work Centers in attracting and retaining talent
- 3) Location Analysis: Determining local feasibility (steps 4-9 below)
- 4) Demographics
 - a. Knowledge workers
 - b. Location-neutral workers
- 5) Regional Transportation Analysis
 - a. Surface traffic factors
 - b. Commercial Air Service
- 6) Market Sizing
 - a. Current Occupational Analysis
 - b. Future Projections
- 7) Community Support
- 8) Linkage to a regional economic development strategy
- 9) Financial Support
 - a. Public funds
 - b. Philanthropy
 - c. Private funds
- 10) Business Plan Outline (Localized)
 - a. Competitive Analysis
 - b. Business Model
 - c. Member Scenarios

11) Preferred Providers

12) Network Linkage plans

13) Sample Pro Forma

- a. Sample revenue model
- b. Sample Cost Model

14) “Go to market” strategy

15) Resource Guide

- a. Check lists
- b. Critical Success Factors