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Q & A with Mark Golan, chairman, Cisco Systems

By Steve McLinden

Apr 16, 2007 11:41 AM



The standard office model is stuck in the 20th century, says connected-workplace innovator Mark Golan. He has a message to companies living (and working) in the past: Adapt to this new climate and save millions of dollars in fixed expenses.

Golan, 46, vice president of connected real estate in the Internet Business Solutions Group of networking giant Cisco Systems, ought to know. The San Jose-based executive oversees 17 million sq. ft. of real estate and 160 employees — some of them real-life subjects in his firm's office-efficiency labs — while helping integrate new workflow technologies at companies large and small.

The former Sun Microsystems executive spent eight years with Smith Barney and Morgan Stanley as an investment banker. He was also recently appointed chairman of corporate real estate trade group CoreNet Global, an international association of corporate real estate executives.

NREI: What are some of the workplace efficiency issues you're addressing?

Golan: The physical nature of the workplace hasn't changed much and that's a problem because technology and the nature of work have. This calls for some redirection in thinking. With offices serving as their second largest operating expense, companies have to ask themselves some questions: What's the purpose of the office in our enterprise? And why do we still have an office at all? We're seeing some smaller companies choosing to eliminate offices entirely.

NREI: How has Cisco addressed these challenges?

Golan: The workplace has shifted from a heads-down, individual environment to a collaborative effort while infrastructure has become far more mobile. Workplace design was for so long shackled by the need to accommodate large physical devices in fixed locations; the PBX [Private Branch Exchange centralized phone system], the typewriter, the copy machine. But designers aren't shackled anymore. In our office, everyone has a laptop but virtually no one has a physical desktop. We're 100% wireless and connected and all our applications are Web-enabled. A laptop is all the infrastructure you need today. If you have a computer and a

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phone, [software] enables you to dial a seven-digit number using no access codes. Dedicated space doesn't make much sense anymore.

NREI: How do companies benefit from this approach?

Golan: If your goal is to improve office productivity, it will have a profound effect due to big savings in the reduction of square footage per person. You can drive the total [space] utilization from the standard 40% to 50% or 60% and that can represent millions of dollars annually.

I believe a company's work environment, next to the actions of its senior executives, has as much to do with its culture. It's not just about worker productivity, it's also about branding and the message they're sending out.

NREI: Do workers have a difficult time adjusting to a "temp-desk" environment?

Golan: You need to communicate what they're getting instead of the cube. And that's access to a broad choice of workspaces and technology they wouldn't have otherwise. They can choose where they work based on task requirements. If they want a relaxing place to eat a brown-bag lunch, they have it. If they want to sit close to the window, they can. There are still enclosed areas when they need them.


We've essentially opened up space and made their work environment less claustrophobic and more interactive. Of course, all this has to be tempered with concepts of privacy. You can still personalize a space even if it's not dedicated to you. For example, a telephone plasma screen will light up with pictures of your kids. They can enter a work environment and it automatically logs them in [as its temporary occupant].

NREI: What's next for this industry?

Golan: We'll eventually see a complete blurring of what constitutes a real estate network and IP network. All kinds of interesting things will become possible then. One thing that's coming like a freight train is [enhanced] video teleconferencing. Sure, it's been around a long time but it's been little more than a toy. There's a lack of eye contact. Now, you can just click and you've got a high-quality desktop connection with a co-worker instead of going to an elevator or stairs and wasting time en route. I think we're just on the cutting edge of profound change.

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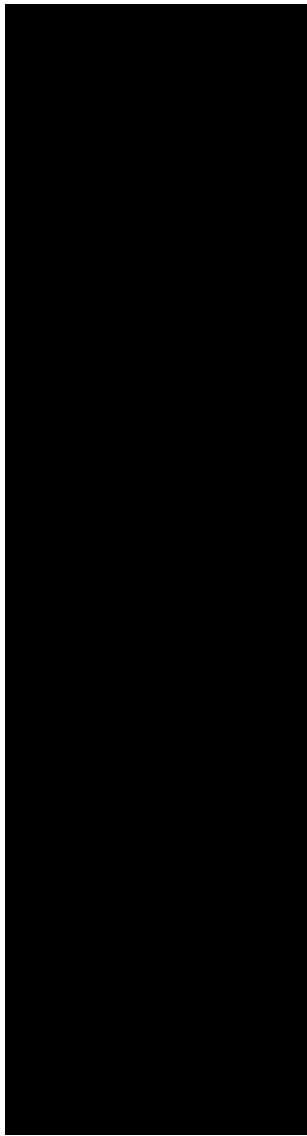
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