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Nortel's Gorman Stays Flexible, Agile

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By null

Executive editor Russ Colchamiro spoke with Mark Gorman, CoreNet Global board member and director of global real estate for Nortel Networks Corp., about the technology giant's real estate strategy and major issues facing corporate real estate executives.

CPN: Nortel Networks employs 32,000 worldwide. What real estate holdings are necessary to accommodate that many workers?

Gorman: The portfolio totals 186 locations in 52 countries. We have a combination of holdings, including office space, lab space, distribution and warehouse, manufacturing and training environments. Those spaces, combined, equal roughly 9.5 million square feet of occupied space. In addition, we have just less than 4 million square feet of property leased out to third parties. So in addition to our corporate responsibilities, we're also a landlord. The buildings in our total portfolio are assets. It's up to my team and me to get the most value out of them.

In terms of occupancy, our largest site is Ottawa, which is home to R&D. ... Richardson (near Dallas), Research Triangle Park, Chateaufort (in Paris) and Beijing round out the top five.

CPN: What about your corporate headquarters?

Gorman: Just under a year ago, we moved into a new headquarters facility, a 161,000-square-foot office tower off Highway 427 (in Toronto) just before The Queensway. The gross square footage per person is just 200 square feet. People tend to be suspect of that metric, presuming we're disaggregating the numbers or have stripped down the space, but that's not the case. We've got a customer-centric reception lobby, multimedia studio, customer demonstration facilities, full boardroom facilities and a coffee shop, and the entire top floor of the building is dedicated to large meeting spaces and the employee dining area. We clearly didn't scrimp on the amenities.

We didn't densely pack the office spaces, either. ... Together with IT and HR, we ... looked at the work processes, technology and workplace settings, along with ... the individual mobility of the workforce, to devise solutions for the workplace.

CPN: What are the biggest challenges for Nortel to house such a large employee pool?

Gorman: It comes down to agility. The business environment we work in is very dynamic, which requires us to continue to find ways to make bricks and mortar as "morphable" as possible. Obviously, we have a substantial commitment to our lab environments, and we've been pretty successful in meeting those needs under a variety of conditions.

As far as our people are concerned, what individuals need most from their office environment is the space and tools to collaborate successfully. (It) is our greatest challenge and for Nortel a differentiator. The products and solutions Nortel is delivering to our customers are at the very heart of these innovative environments. We have an approach inside the company to address a truly integrated work environment. I like to tell people it's "Nortel on Nortel." People see that and are drawn to it.

CPN: How are today's younger employees—with their demands for environmentally friendly workspaces and flexible environments—impacting corporate real estate decisionmaking?

Gorman: In some ways, it transcends age. Workplace solutions must respond to and embrace the mobility of today's workforce in a way that is both flexible and engaging. People are looking for choices in their environments. We provide that through several solution-driven programs.

In fact, Nortel was recently awarded the Alfred P. Sloan Award for Business Excellence in Workplace Flexibility. The judges cited as major contributors to our success our GreenCommute travel-demand-management program, which provides employees ... commuting alternatives to single-occupancy vehicles, including ridesharing and public transit; our HOMEBase teleworking program (in) support of our full- and part-time teleworkers; and our Integrated Work Environment solutions, which encourage our people to

leverage connectivity technology for effective, efficient work in a variety of settings.

CPN: What new skills do top executives need in order to oversee the changing landscape of corporate real estate?

Gorman: I don't think the skill sets we're talking about are too different than what we were talking about 20 years ago, but real estate leaders certainly need to possess business acumen, global perspective and cultural awareness, influencing and communication skills and, of course, change management. What continues to change is the application of these skills across multiple disciplines and communities.

We're also focused on the big realities of how companies deal with triple-bottom-line reporting and making sure we're capturing all the appropriate data for the company. And we're far more engaged with a broader variety of constituents than ever before, creating a growing demand for corporate real estate executives who can shift geographically and within the business operations and also from culture to culture seamlessly.

CPN: What other issues have you or CoreNet Global identified as important to corporate real estate executives?

Gorman: Some people disagree with me, but it boils down to three big things: First is asset management and global location strategies. More and more, companies are recognizing the significance of their real estate assets and the need for them to be managed professionally. That has put a new focus on internal real estate organizations and, in companies where no corporate real estate executive has ever existed, on the creation of a senior real estate leadership role.


Second is sustainability. It's an issue that real estate executives have to grapple with in a very fundamental way: What is the role for the corporate real estate professional? Are we in the lead? Are we a partner? And how will we report progress in a globally consistent manner?

Finally, we need to focus on talent resources for corporate real estate professionals. The war for talent is very real in our industry for both the end users and the service providers. Attracting, developing and retaining the right talent is a very real issue for all of us.

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