

AoPlan

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AoPlan WHITE PAPER

SUBJECT: Currently there are eight major challenges facing the Office Business Center industry. They are:

1. Changing life styles – generational changes in work habits
2. Communication and information technology growth
3. Economic forces
4. Breakdown of the centralized traditional office
5. Emergence and growth of home officing and the mobile office
6. Influence of the global economy
7. Changing concepts of what an office is
8. Impact of these changes on conventional office business center markets

All eight challenges are interrelated. They tell a story of the pressures on our industry and the need to aggressively address change with increased flexibility.

Changing life styles have had the broadest impacts on our industry by redefining our concepts of work along with how and where we work, and what support systems are needed. Historically, our definition of work was task oriented, with a traditional support base and a local market. We had “office hours” spent at a desk in a conventional, stationary office setting. We now have a global economy brought about by economic forces that has expanded our “office hours” to 24/7 and, in many cases, erased our attachment to a static work place.

For the first time, we have four active working generations. Each has shown evolutionary movement from the conventional office setting to new and different working environments. Much of this evolution is due to improved communication systems. The cell phone, Blackberry, PDA, and wireless computer technology allow mobility and make a stationary work environment unnecessary for many. This has led to the home office, the virtual office and the officing “nomad” who doesn’t need an office at all.

We are challenged to support a broader range of clientele. Traditional markets are being divided into niches to support differing officing requirements. Conventional office business centers are finding a need to expand their outreach services for the home office workers, their virtual programs for that group, and their conferencing and office community facilities for those “nomads” who will drop in for a conference, a cup of coffee, or a hot spot connection.

Less conventional office business center models have reduced or erased the conventional office component entirely. Their locations are more accessible. They are smaller than conventional centers. They appear on first floors of commercial buildings, in retail centers or as attachments other amenities such as hotels, child care, and health care facilities. Their financial models are based on memberships rather than revenues from real estate. This affects their marketing, sales and operational components.

Taken together, the changing conventional and new model office business center models will continue to meet our eight challenges, and more that will become evident in the future. AoPlan believes that these challenges are opportunities for growth through flexible and creative office business center development. 