

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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Jacob 00:00

Hello everyone, thanks for joining me for another episode of the future of work. My guest today is Mark Dixon. He is the global CEO and founder of International Workplace Group formerly known as Regis. Mark, thank you for joining me.

Mark 00:16

It's a pleasure to be here.

Jacob 00:17

So we have a lot to talk about today. But before we jump into all the fun workplace stuff, I want to start with a little bit of your story because I was googling you. I was looking you up on Wikipedia and just your history sounds fascinating. I read that you dropped out of school at age 16. You started delivering sandwiches. You were a barman in St. Tropez, you used to sell encyclopedias. You were a miner in Australia. Talk me through like your your early years before you became the CEO of this massive company.

Mark 00:52

Well, look, mine was, uh, you know, I left home at 16. On the day I left school, I found school whilst I, you know, I did very well at school. Fantastic grades, it was just too slow for me. I wanted to get out to do something for myself. So I set up a business. You know, it was an early version of food delivery. Now, all the rage, I was a bit before my time. And so food delivery made, I made sandwiches and delivered them to offices in my small hometown. And, and I realized quite quickly look, you know, a young man of 16 need more experience. So I decided to travel the world. And all of that work in central Bay, in Australia, in Asia, all will happen after that in a quite short space of time.

Mark 01:43

I then went on and came back and then I set up my first proper business, I did six more businesses. And, you know, built up more capital, built the business, sold it built more capital did another one, so on, and eventually ended up in Brussels, Belgium, where I did a real estate business with apartments, doing an early version of co-living. Actually, I mean, that was a long, long time ago, that was in 1988. So, but very successfully. And that was for secretaries for the new Common Market, because I thought that would work well. And then I went into, you know, set up my first Center, which we still have in Brussels in Belgium. 31 years later, it still works very, very well. And the rest is history.

Mark 02:35

You know, I tore up the business plan a few times after I started, but I always had a vision, even in 1989, when I got going, that people wanted to work in a different way. And that was remember this was pre mobile phones, pre email, this was people using fax This was people using you know, telex machines, and probably most people won't remember those. And, you know, fixed phones. But you know, even in those days, people wanted something different.

Jacob 03:07

Yeah. Well, I mean, it's a fascinating story. And I kind of wanted to just touch on that a little bit. Because I feel a lot of people, especially earlier in their careers, or maybe even mid in their careers, don't really know what they want to do or if they're in the right spot, or if they're going in the right direction. What did you learn as you had the opportunity to navigate the world and bartend and St Tropez and mine in Australia? I mean, did you get a lot of lessons along the journey?

Mark 03:38

I got a lesson every day. So look, the most important, you know, a lot of young people come to me and say, because they don't know what they want to do. And I say, I I knew what I wanted to do. Jacob I knew I wanted to go into business. I always wanted to go into business. From the time I was doing my paper delivery round newspaper delivery round. And I read stories about business. It looked exciting. I was never going to be a great sportsman. But I liked the look of the sport of business, it's fascinating. I wanted to do something that was challenging and exciting. And so I you know, I got started first round failure, but then I knew I needed experience. So all these all the jobs I did, I was doing them to earn a little money. But most of all I was doing for experience.

Mark 04:29

So I worked with great people in different parts of the world. I got I learned French in I don't know, probably about five weeks because I had to. I mean when I got my first job in that bar, I didn't even speak French, but I just said yes to everything that guy asked me and he dressed me up and I started working that night. That is fantastic. I learned so much really great, great training. I like to hire people today that've had some experience at some point in their life working in a bar or restaurant, if they've served people, you know, generally they have a very good outlook on the world. But anyway, it was all about learning. And even, in all my businesses that I've done, they were all of them were self financed, every one of them I made the capital, I never borrowed any money. So even in I, you know, Regus, IWG for the first eight years, I didn't borrow any money, I just self financed it, because I was going faster than the banks could finance me.

Mark 05:33

And so, but I've worked with some fantastic people, either within the companies, or advisors, or people I know. And I'm like, you know, in those days, and still, today, I'm still learning today, it's sort of like a sponge, you just got to be whoever you're speaking to, whatever you're doing, you're learning lessons.

Mark 05:57

You know, in COVID, you know, this whole crisis, I've been through many, many crisis. So the over the period of time that I've been in business, this is a huge one. And you've had to reinvent very quickly, and, and sort of apply, you know, all those 45 years of experiences, to what you know, now, and it's

very hard to learn all that, you know, you're not gonna get a lot of it with an MBA, it's gonna come with experience. By the way, it helps if you've got an MBA, if you can get through that, but it's experience and knowing what you want to do.

Jacob 06:31

It's funny I've actually interviewed a couple CEOs on this podcast who've echoed that similar statement where when they're hiring people, they like to hire people who have that service background, they like to hire people who've had the opportunity to travel to see different parts of the world who've pushed themselves outside of their comfort zone. So it sounds like that's actually really good advice for younger people and even people mid career right. Go outside of your comfort zone, say yes to those new opportunities that come your way. Get out of the safety zone.

Mark 07:03

I think it's also it creates a new passion in life. I know. You know, when you do new businesses, I haven't, you know, I have another business I do at the weekends. I'm the biggest producer of Rose wine in the in, in the coda province, South of France area. You know, we have a huge business in the United States, exporting wine, but we explored a lot that, you know, again, new challenges, you learn new things, and it gives you a whole new aspect to the world. So, you know, I, I enjoy it. It's my, you know, it creates new passion when you do new things. And I feel myself very lucky to be able to be involved in a business to be leading a business, that that's, that's pioneering. I'm not really interested in doing businesses that are not in you know, sort of doing something new, and doing something pioneering.

Jacob 07:55

One last question for you before we jump into some of the work stuff. I read that you sold encyclopedias, and for a lot of people, they're going to have a hard time imagining what a I don't even know how many people remember encyclopedias, but selling them. Can you just so people can understand how the world of work has changed?

Mark 08:17

Door to Door you're trying to install that is door to door selling, the hardest selling you can ever do is knocking on folks door. And then you've got to try and get them to sign up to a subscription to have encyclopedias delivered once a month, until they build up a collection of 12 encyclopedias. I mean, this was prior to the internet, then, you know, you had to then you've got to try and convince those people that I did that in Australia, by the way that was, yeah. And look, they speak English in Australia. And so that was, you know, but that's hard selling a great experience, unbelievable experience. If you ever make a sale. It's like, you know, all your Christmases have happened.

Jacob 08:57

Yeah. So you would literally go door to door, knock on somebody's door, they would say Who is it? And you would say hey, it's Mark. I'm, you know, are you interested in buying an encyclopedia?

Mark 09:17

You don't say that you talk about knowledge you talk about, you know, you don't want to if you say do you want to buy an encyclopedia, they just say no. So, you know, I can't remember the exact pattern, but you talk about knowledge you talk about, you know, if you've got kids, because in those days, it's I mean, I use I learned from an encyclopedia, my parents had a whole set of them and I learned from because you learn facts about the world. And, you know, you couldn't look it up in you know, on on your mobile phone from Google in those days. That was Google. So it you know, they were they was it worthwhile thing, just tough. I mean, and if they already had a set of encyclopedias, you have to say, do you want a new set, because there's a lot of new information.

Jacob 10:08

It's funny I part of me wonders sometimes I don't know if you've thought about this. But you know before obviously the internet and technology, a lot of selling was done in person. And so we really focused on building these interpersonal skills--handshakes, looking somebody in the eye having a conversation. And then technology comes around and now you see people just walking around staring at their phones. It almost feel like people forgot how to have this kind of human dialogue how to look someone in the eye, have a conversation not have technology. I mean, have you noticed this at all? Or am I just crazy?

Mark 10:45

Of course, it's look, digital disrupts everything. Absolutely, you know, and it will touch everything. In my farming businesses, as an example, we have a huge amount of digital employed to you know, we're, we're very organic and very much into sustainability. So we don't, basically digital helps us, you know, cut waste. But it also cuts down the interpersonal, the responsibilities. You know, and we manage all of our tractors, you know, on, on staff from satellites, we don't, you know, that trust that interaction is, is very different. When you're monitoring, you know, the equipment like that, I think interpersonal. You know, there's still a lot of things, I mean, people would still, most people would rather go down to a car showroom to buy a car and try it out and smell it, it's hard to get those things coming over. But, you know, again, more and more, even a car sales are happening online, more of our sales people, you know, the number of the percentage of transactions we do on offices, which is quite big purchase, whole schemes are done for 50,000 people without a meeting.

Jacob 12:01

Wow.

Mark 12:04

So, you know, it's once people know what it is, then some of that inter personality gets cut down. But I think the other, the flip side to this is that the technology is getting better and better. So, you know, it's speeding everything up our ability to do high quality, video interactions, you know, in in seconds, you can call people and interface with them. And you can display you can give people a very, very good feeling over how things are and what they are. I'm not sure you could send an encyclopedia, even if you were doing it on Team zoom or something. But you can sell many things. And you can create an, you can create an interpersonal reaction, it's far better than a call center if you're doing it face to face

on a video, because you can build some kind of rapport. And people like to do business. They like to get information if they can from other people, people they can see. It's much better experience.

Mark 13:12

So but I think you too, will continue to encroach. I think companies have to, you know, I think they have to maintain a very strong personal relationship with their teams with their people. They have to invest more in it, get people together, maybe not all the time, but quite a lot of the time. And I think the same with customers, you know, if you can do it digitally, then do it more often. And, and sort of build a relationship. There's a trusting one, and that there's got things that they want to talk about.

Jacob 13:46

Well, I think this pivots well into kind of a workplace stuff that I wanted to talk about, but why don't you give people first a little bit of background information about the company. So what is International Workplace Group? How many employees do you guys have how many locations just any any context that you want to give about the business

Mark 14:06

Yeah, we have about 15,000 direct and indirect team members. We have, we operate in 120 countries. We're just opening up in fact, in in Togo, which is in West Africa. And you know, we all sorts of places all over every continent. And we're in every state in the United States. We have around about three and a half 1000 buildings. And what we do is we equip these buildings with a whole range of facilities for people to work in from offices to collaboration rooms to meeting rooms to co working desks, to open areas, social areas, cafes, restaurants, and So on, so that, you know, people then just drop in and use them. You know, they can go there for an hour, go there for a day go there for a week go there, some companies will have a whole team hub there that may be there for years.

Mark 15:19

You know, we have customers that arrived when I did that first center 31 years ago, they're still there today. So, so come, some people stay for a long time if it's convenient. So our job is to provide convenient workplaces near where people live, or near where people need to go, which is cbds, both of those areas. We're a high growth company, you know, we're adding lots of sites. And you know, we're adding more countries, there's only about 50 countries left to do it, but it's, you know, it's very much playing into this new way of working, which allows companies and people to just work in a completely different way.

Mark 16:06

So for many, rather than having a fixed desk in a place that's miles away from where you live, and you spend an hour or two of your day, every day commuting, you just get an office down the road, or you work from home, we also support about 700,000 people who work from home. So we have a support service for that as well.

Jacob 16:26

I also read that I think it's by 2030 you guys are wanting to have something like 50,000 locations. Is that accurate?

Mark 16:38

It's not quite accurate. I mean, logistically, that's not possible. I think, you know, basically, we're opening up quickly, but not that quickly. I think that's quite that may be misquoted. I think overall, we see our market size has been somewhere between 30 to 50,000 locations. But it will take some time to do that. You know, our objective is to, you know, we work in partnership, we have a lot of franchise partners. We work in partnership with real estate owners. And we we invest in properties ourselves, but most of the growth is through partnerships with real estate owners and partnerships with franchise partners.

Mark 17:19

So, you know, we expect to be able to grow, we are growing much more quickly, in particular, as more and more of the workforce as sort of turning to a new way of working. But yeah, that would be very quick.

Jacob 17:31

Yeah. Can you talk a little bit about the impact that COVID has had on your business because I would imagine for space of any kind, retail, flexible workspaces, it was probably quite tough. So how did COVID impact your business and what are you seeing now as we're you know, getting towards hopefully the tail end of it

Mark 17:55

Well this is, this is good news, bad news story. So I sort of deal with the bad news. First, the bad news, looking good, where we supply flexible workspace. So clearly, in particular, in the CBDs, the the you know, the central business districts around the world, many of these were affected, because people didn't want to commute. And government said, Look, you can't commute, you can't go into the office. And we're flexible suppliers. So that just meant just like hotels, people don't come in and they don't pay for it. And this affected our numbers last year, and into the beginning of this year. The so that's the bad news story about you know, underlying that we made cash last year, but our cash flow was severely affected. And that had, you know, and into the beginning of this year.

Mark 18:49

Now, the good news story, is this, the entire world more or less experienced this new way of working, you know, being on Teams being on Zoom. And they you know, companies found actually productivity did not fall off a cliff. And workers said, we actually we don't want to be at home. A lot of them said, We don't mind being at home for some of the time but we don't want to be at home all the time. So you know what was interesting is though, though, as CBDs were affected as central business district locations, downtown's, our suburbs, and our countryside rural locations, did well during COVID. And continue to do well. So there was a transformation in our business. So that was number one.

Mark 19:42

Number two, we've we've signed more business in the last 10 weeks, then we've done in the last 10 years. So it's been transformational for us. And we've signed up companies like Standard Chartered Bank for 95,000 people, NTT, 300,000 people, so networking.

Jacob 20:01

Wow, 300,000 people?

Mark 20:06

Correct. So these are workforces that are embracing a sort of flexible hybrid work philosophy. So all those 300,000 people don't come in all at the same time. But what the company is saying is, we are going to provide you with an app, you decide where you're going to work. And you can drop into any one of IWGs locations, or you can come to the main office. And we they're setting up hubs as well for people to go into. So overall, you know, we've signed up over in the, in that period, around about a million, and we've got another million that are signing up at the moment.

Jacob 20:47

So yeah, no, those are massive numbers. So for people who are maybe not familiar with the model, so let's say I'm the CEO of a big organization. So traditionally it sounds like what an organization would do is either they will purchase a building or they will lease a building from the building owner they will lease floors and so what is the alternative? So the what you guys offer, what's the incentive for an organization to go with something like you instead of the traditional route?

Mark 21:24

Right? I mean, I can break this down into three things, and then I'll go into detail, but starting from the top, first of all, and this is a key, the number one thing, they companies may not admit it, but it's the number one thing, the number one thing is you save half your cost if you move to hybrid. So it's a 50% saving for many companies that have a lot of office workers, that's a massive saving. Okay, now, if you look at the companies, and there's many that have stated this, I think Standard Chartered Bank, Hong Kong, Shanghai bank, HSBC, many, many others have said, we're going to half the amount of space we have. Now with hybrid, you half the cost. Because you still have the same people, you've just got to support them in a different way.

Mark 22:17

The second reason is, it's what people want. So 85% of respondents that have been surveyed, this was in a Gartner survey said that if their company forced them to come into the office five days a week, they would start to look for another job. So you know, if you want to keep your talent, what your talent is telling you is, look, we we want to come to the office some of the time. But what we really want, and many can't work from home is provide us with an office near to where we live, or let me work at home. So I will work between those three. Okay, so it's what people want. Very, very important. And there's many surveys, Jacob that go into this, there's an Ernst and Young, there's a Deloitte, the Gartner has many, many.

Mark 23:09

Now, the third, and really, for me, the elephant in the room. I don't if you can say that in American, but the elephant in the room is the environment sustainability ESG. So companies, especially larger ones, are under massive pressure to reduce their footprint, their carbon footprints to reduce pollution. And if you move to a hybrid solution, you know, this saves for the people, you move to hybrid, you've got a 70% save on your carbon footprint. And clearly you're reducing, you're reducing commuting, which also helps and, you know, as part of the SGA, you're also making your people happier. So it just ticks so many boxes. So these are three very, very key drivers.

Jacob 23:57

Is that is the cost savings because I'm assuming a company's going to pay someone right whether they're leasing a building or buying a building. So why is it cost savings? Is it just cheaper to go with you guys or?

Mark 24:12

No, it's not cheaper. It's more efficient. So if you go along, in New York City to any company, and you walk into the floor, most companies, you know, you see lots of empty seats. Okay, so you know, the average company, as 25 to 30% of seats that aren't occupied. Because they've, they're going to hire the people, or they've cut down on people or they didn't hire as many people as they thought. And when you're taking space, conventionally, you're taking space in the US in most countries for, you know, 10 years, very hard for companies to plan for what their business is going to be like in 10 years time, even three years times hard in terms of headcount. So, you know, so it's unused space number one. So you only pay for a desk or an office or meeting room, when you use it, you know, it's simply the same as using a taxi as opposed to owning a car. You know, if you only use a car once a month, then using a taxi would be much cheaper, yeah?

Mark 25:25

So basically, it's that inefficiency that's already there in companies. And then it's you have some of the people working from home who want to work from home some of the time. And then you have offices that are in cheaper places. So you know, for example, you know, an office in New York City, it costs x. And if you're in Connecticut, or New Jersey, the cost is 1/3, of the cost of being in downtown New York City. So you can provide people with a desk near where they live. That is a third of the price. That's how you save money. And then you make that efficient, you just say, right, well, that person takes the office, not when--there's no office, when they're traveling out on business, visiting customers, they don't have an office. But that, by the way, they can use the system anywhere. If they're in Houston, they're in Los Angeles, they can take an office there. It's a system wide approach. So people can turn up anywhere and just use it.

Jacob 26:25

Yeah, that makes sense. It's interesting because we talked about this idea of hybrid work and a flexible work for how long now? I mean, it's even when I wrote I think my first book on the future of work came out in like, 2014, almost a decade ago. And even before that, I mean, right? You started this company 30 plus years ago. So this isn't a new phenomenon or a new theme. And then all of a sudden, COVID happens. And we see more of a shift towards this way of working in the past, I don't know, 10 months

than we have in the last 30 years. What is it now that organizations are starting to realize that, you know, they didn't figure out years ago?

Mark 27:09

Well, yeah, look, the big changes, as you were saying that I was thinking was the, the big changes the technology, it you know, the COVID showed it was possible. Not no companies went bust, because of COVID. In terms of it stopped them working, of course, unless it's a restaurant or something like that. But for companies with when they move their workers, and that could have been call centers, that was help desk that was whatever it was architects, engineers, all of these people know, none of these businesses stopped. They used the technology. And they became more efficient, not less efficient.

Mark 27:52

When pretty much everyone I speak to business people, and socially, they say, look, we don't want to work from home all the time, we like to go into the office some of the time, okay, tick that box. But everyone says, I'm not unhappy to be commuting less. I like that. I've got two hours back a day. And then people say, I'm not unhappy, by traveling less, because, you know, basically, I can carry out more meetings, without traveling, using the technology. It's just changed my life. And it's the technology. Now what I'm seeing now is a lot more software now coming into the market every day, more software coming. So you're going to get layers of technology, that sort of arrive, that make running a sort of workforce, that's hybrid becomes much, much better.

Mark 28:52

And companies are learning how to do it, you know, many of the deals we're doing, we're not doing them with the real estate department on its own. We're doing it with the HR department with human resources, who are saying we want to make sure our people are connected. We want to give our people what they want, and so on. And then it's a you know, but the technology will transform this and make it better and better. By the way, if it hadn't been for teams and zoom COVID would have been a lot worse for companies. Right? But it's the technology that's doing it

Jacob 29:23

It's, yeah, it's really interesting to see this integration of technology like in physical space. You know, years ago, technology would be its own thing. space would be its own thing. But now technology is actually playing a really big role in how we think about and design workspaces, which I think has been pretty fascinating. So do you think that there's still a role for in person work because this is a big debate, I think that a lot of people are having, and some employees are saying, I never need to go into the office. I'm fine and other people are saying no, I mean, there's still a lot of value for in person, work. What do you think?

Mark 30:04

Yeah, well, I again, we've seen a lot of research on this. So. And from personal experience, look, there's a lot of value in coming into an office into in person places. So if you imagine companies can work with a remote workforce, you can run a company from New York City and your people can be anywhere. But if you do not bring them together, they become digital nomads, and that's a very dangerous thing. They lose the culture of the company. So you need a company of the future will invest

in new york city or a place that's convenient, in a great place that people want to come to, and that place will be for collaboration, it'll have signs up above the door to remind people what company they work for, it'll be much more of a social interaction, along with a business interaction, they will be curated. So you get very good agendas, you don't go in there, to sort of go and sit by a desk and use your laptop, you're going in there to do creative stuff, you're going in there for your boss to thank you, and hand you a you know, a bottle of wine or something for doing a great job in front of everyone else. So it, you can't do that over the internet. So you've got to try and have a sense of belonging, and, you know, a feeling of purpose. And you can do a lot of it, you know, over when people are decentralized, but you can't do all of it's really important factor.

Mark 31:43

So the companies of the future will have a number of hubs around the country, they'll bring people together. But those people and by the way, some people that live in the city, they will come into that office, because that becomes their local workplace. But the the thing that's going to go out of fashion is commuting. You know everyone thinks is it from home? Is it from an office? No, it's just avoid the commuting. Work where it's convenient. That's what the internet allows you to do. So why aren't you doing it?

Jacob 32:12

I used to have back when I used to have full time jobs. I had a three hour daily commute. This was before Uber. I mean, I had a part time job driving downtown Los Angeles an hour and a half to work and back from work each day. It was, it was a disaster.

Mark 32:31

Yeah, what it just that is that what your life you spend your life being educated, preparing yourself for work doing what you can, and then you spend three hours of your life going to a workplace doing work we could do, you could do it in your, in your bedroom, or you can do it down the road. I mean, I cannot work from home, Jacob, I need to go to an office. Because I have to have the division between home and work. If not, I don't stop working. And I just, you know, I need otherwise, I'd become, you know, just unfriendly to people. You know, so, you know, a question of discipline as well. But some people can do it. They have to discipline but I for one can't but I have never commuted never. Always I've got an office down the road.

Jacob 33:04

Yeah, I feel like we should, commuting should be a class that gets offered in MBA programs and for anybody that wants to go into business because you spend literally a part time job driving. You know, it's it's, I agree it was a disaster. And I love something that you mentioned earlier about the social impact, because humans are, you know, we're social creatures. I think the in person interaction is still very much an important aspect of work, especially for leaders too. So there's definitely a role for the in person.

Mark 33:55

After, you see, those are the new skills. This is a new world and in a new world, you need new skills, you need new language, you need new software, and you need new methods of working. It doesn't

happen overnight. But what I can tell you is I'm seeing companies really, really putting effort and coming up with some brilliant ways to offer hybrid work, but make sure people are more involved than they were before. If you ever go to a large firm, or even a medium sized firm, you go there's a floor with loads of desks on it. And you see 500 people, but they're not really interacting, that you know, they they may interact by the coffee machine, as Legend says. But

Jacob 34:37

It's the most important thing in the office

Mark 34:44

Yeah, but these are chance interactions, Jacob that's the problem. And do you really want chance yet you can have some chance but you want a lot of designed interactions so that you get the right collaboration with the right people at the right time. And technology allows you to do that and will get better and make that better and better creates efficiency. And efficiency is what company you know, that's how companies grow, thrive. And you know, they can focus on the things that matter.

Jacob 35:12

Yeah, you mentioned this concept of hybrid work a few times. And I really want to make sure to call it out because as we talked about before I started pushing the record. A lot of organizations feel like it's either in person work, or it's either virtual work, and they forget that there is an in between, which is what hybrid work is. So can you talk about an explain what hybrid work is for people who are trying to understand that concept?

Mark 35:45

Well, hybrid work is it's about, you know, what, first where you started. So what do people need, they need a place where they can be productive. Generally speaking, it's hard for people to be be productive if they're in a Starbucks, because there's too much noise or interruption, the internet might be good, but there's too much noise, too much interruption. So, you know, you've got to provide quality places for people to work. Now, those places could be at home. So support your people, the ones that want to work from home more of the time, make sure they've got the right desk chair, equipment, internet, so they work properly.

Mark 36:24

If and those people that want to work close to home, like you, you don't want a three hour waste of a day, every day. So, you know, we're seeing a lot of companies now starting to give their people an office allowance. So they say, here's the job, you don't have to come to the head office, we'll give you an allowance for an office, use it where you want to. But we do expect you to be productive. So hybrid is about working locally working from home, or coming into hubs, or which are, you know, a little bit further away, but close to where you live, or coming into the head office. But it's about where it's convenient, where are you going to be the most productive on that day. Okay, and, and you sort of proper hybrid, people make a decision as to where they're going to work from. Okay.

Mark 37:19

And, for example, the way our system works, it all works on an app. So we have all the buildings, you can choose what you you just say I'm going to be in Los Angeles, tomorrow, I need a workplace or I need a meeting room, you book one, you go in, just like you use an over, there's a whole system out there. You use it either near where you live, or where you're going. But what you want to do is make sure that you avoid any downtime if you're working you say, I've got a meeting in Los Angeles, the rest of the day, I need an office, I'm going to sit down and I'm going to do work, I'm going to be productive. And I'm going to catch the flight back in the evening.

Mark 37:58

So hybrid work is about really a continuum between those places where a workforce works, with what works for them. And everyone that works from home, by the way, would always have an application that allowed them to go into a local office when they need to. Because again, even if you work from home, and you're good at it, you have plumbers you have you know, visitors, you have many, many things, many distractions, that would mean, hey, this week, I've got my mother in law over. I'm not going to work from home. I'm going to get an office down the road.

Jacob 38:35

My mother in law is actually coming to visit us next week. And she's gonna be here for a little while. So I may do that. You never know.

Mark 38:48

Yeah, that's it. So that's hybrid, hybrid's easy. And but you know, it's easy for people. But it's very easy for companies that companies have less fixed costs, and have totally variable cost. And they're giving people what they want. So that, you know, by the way, that's why this bit our business has grown. We were doing hybrid, by the way, pre COVID. So we had our two best quarters in the last quarter of 19. First Quarter 20. And this was, you know, because of more companies which came in a hybrid even then.

Jacob 39:19

You mentioned a couple minutes ago that some organizations are doing some really fantastic and amazing things. Do you have any examples or stories of what some of your favorite companies are doing? Because maybe some people who are watching and listening to this can learn from them. So if you have any stories or examples...

Mark 39:42

Well, I think I think what, what what I've seen the most amazing companies do and there's a number of them is you know, they've reinvested you know the money they've saved through having people working from home and working hybrid. They've reinvested into, you know, sort of beefing up and strengthening up the human resources department by adding people, like, you know, health officer, sociologists and and we are getting consultants who are anthropologists and so on. So they, what they're trying to do is connect with people they're trying to get, they're trying to really understand their workforce.

Mark 40:26

Now, before hybrid work, they were they thought they knew their people, because they were all sitting there in the office, you know, and it's, they, they realize they didn't really know the people. So what they've done is they're working much more to say, What do my work, what does my workforce need to be productive, to be happy, to have a sense of fulfillment, and so on. And then they, by getting these sorts of skills round the table, the Human Resources leader comes out with programs, and many of them are very simple ones, where you have, you know, brainstorming sessions that are, so it's not a most people are using zoom for, like formal meetings. And I'm talking to someone who has a business review, and so on. But it's doing more creative things, though, and we do something in our company with our business, and we do blue sky days. So this is saying, you know, what do we need to be looking at the future is pure business development. But it has to be curated, you have to get people do some work on their own, you bring it together in a group, you have a drink afterwards. I mean, you can't have a meal together. We were doing this during COVID. But you can't everyone opens a glass, and then we talk about any you're not allowed to talk about the business. You talk about what you are doing, what what did you do? What are you doing? How's your family? How's this? What are your concerns, and those, those are the conversations that you used to have, you know, when you went for a coffee with someone, and so you repeat, you can't replace it. But you can reproduce it, it's a version of it, that's better than nothing.

Mark 42:15

So, but it's really, really interesting, when you start to invest in it, people respond to it, you know, it wasn't the office that was the thing, the magic ingredient here. It was the people themselves. And it's about companies focusing on people as people, they had brilliant talents that you didn't know about, because you hired them, you ask them, but you didn't ask them again and again.

Jacob 42:38

What do you think all of this is gonna do for geographies? Because I think this is also something that a lot of organizations are considering. You know, I happen to live just outside San Francisco. There's a lot of talk that cities like New York and Chicago, LA, a lot of people are going to move out of those. Are you guys paying attention at all to the geographies of these major cities and what do you think the outcome is going to be?

Mark 43:08

But that's a really good point, actually. And the, the geography of the world will change. I mean, the, the effect of COVID is, you haven't seen the effect, yet, you're only seeing the medical emergency, you're not seeing how COVID changed the world yet. Because, you know, you're being distracted by, you know, what's happening with COVID rather than what happened to the world. Now. The geography is going to change fundamentally. And yes, people are already moving from New York to Miami to Austin to they're moving south are in you can see it and house prices. You know, and what people are buying is they're buying houses where they, a lot of them if they can afford it, or getting an office in it. And, and, and so on. And that's happening not just in the United States, that's happening in many, many cities across the world, very important in places like London, you just can't buy a house, you know, sort of within 100 miles of London is just very hard to buy my prices are up by about 15 to 20%. That's the move.

Mark 44:21

And that's the similar if you go to the southern states, in the US in some places. So the geography is already changing. Why is this is because you know, guys, were they're working in New York, very expensive, high taxes, lots of commute time, and they say what I can do my job, I don't need to go into the office. I don't need to be there every day. I'll fly into New York once a month, but I can do my job why what am I do my job from Austin? You know, again, my office in Austin. I just the need to be there, that link has been broken. Now what is going to do is flatten out the geography of countries like the United States, like the United Kingdom like France. And, and it's happening rapidly where your for companies, they can quite literally hire people anywhere in the country more or less anywhere in the world. You know. And so, and for people that live in small communities, as long as the internet's good, they can get jobs that they couldn't get, you know, two years ago. Okay, so it just opens up a world of employment that wasn't there before. It allows more part time work.

Mark 45:41

And one of the problems that bringing women back into the workplace is very hard for them to do if they're, you know, if they've got kids of school age, right, but much easier if they can work from say, 930 in the morning till two in the afternoon. But and they don't have to commute, they can do very high quality work from home. So it opens up the workplace changes the geography, and it's gonna be quite a dramatic thing. And the cities are going to have to work a whole lot harder than they did before to keep businesses there, they're going to keep the headquarters. But it's, it's those big buildings full of people, that it's going to be harder, it's all the commuters that are going to say, Hey, I can work from New Jersey, any, for example, you're in San Francisco, in the traffic, if you work across the bay is just everyday horrible. You know, and then those companies gonna say, you know, people are gonna say, I'm not gonna, I'm not gonna, I'm not gonna get in my car and drive for two hours a day, there and back. No, it just doesn't make any sense to me through anything else, but don't ask me to do that. Okay. Yeah, so those are the places that will be affected. And so it's a very good thing. Because it, it stops This, again, it comes back to the environment, it just stops commuting and stops this massive growth in cities that we've seen in the last 30-40 years.

Jacob 47:15

So we only have a few minutes left, I thought maybe in the last few minutes, really what I want to focus on is, let's say I'm a leader in an organization. And I'm starting to think about hybrid work. Any advice or suggestions on how to properly approach this where to begin creating a strategy? Like how do you how do you make hybrid worker reality at your company, if you want to do that?

Mark 47:45

Well, I think there's a lot of First of all, there's a lot of materials out there, you know, on the available, you know, as I said earlier, you know, Ernst and Young have got documents, you know, so talk to your, you know, your your accountant, and see, have you got any research now there's an you can find a lot of research on the internet. So, you know, that's number one, I think one of the first thing is, after that is talk to your people. And that's what a lot of companies have done, you know, many of the companies have come to us, they surveyed their people first, and said, How do you feel about working from home some of the time, a local office, do you want that? And do you all want to come back to the office? And, and that's also so but and then, you know, basically, you can develop the strategy from that there's, you

know, clearly we can help, you know, we give free advice, you don't have to use us. And then there's other companies, there's other firms out there, that can help as well. It just depends on the size of your company. But if you're a small or your startup or your, you know, smaller medium sized company, it's a pretty straightforward thing to do. You're just not doing fixed costs, you're making more the cost variable is as simple as that. And and, you know, in the end, it should be what your people want.

Jacob 49:05

Yeah. I like actually, that you mentioned, bringing your people into the conversation because you're creating things with your people, not for them. And I think oftentimes, a lot of people forget that.

Mark 49:21

Absolutely. They feel part of the program, and this is a very inclusive thing. And, you know, I think if you've told people two years ago, you know, hey, we're taking away your offices, you've all got to work from home and then you wouldn't you you would have, you'd lose everyone. But if you do it today, if you don't do it today, equally, you could lose a lot of your best people.

Jacob 49:39

Yep. Are there any common mistakes that you see organizations making when it comes to approaching hybrid work? Like, how could you fail at this if you were going to?

Mark 49:57

I don't think you can fail. But you don't get the right productivity out of it. And that comes back to you can't just do that, you've got to think about the people. And you have to create, you know, new processes, for your teams, for your managers in particular, in order for them to manage a workforce that isn't sort of sitting right in front of you. And you know, it's just a new skill, it's a simple skill. But it's about not forgetting people, it's about you know, giving people a call and talking to them on their birthday, like you would do is like having a birthday cake, you might not be able to do it together, but you can send it, and then you can get everyone to say happy birthday on a zoom. These are simple things that make people feel, hey, I may be working remotely, but my company cares about me. And it's all I said it appropriate. I think I've said it five times. In the end, it's all about the people. You know, it's that's it. So if you get it wrong, it's because you haven't thought enough about the people. It's a very practical, very easy thing to do. But the the one that you have to focus on, once you decide to do it is, right, let's just put a little bit of thinking into how do we do all the things we normally do in our office. But do it in a in a in a so when people are spread out?

Jacob 51:22

All right, very last question for you. Let's say I'm not a leader in a company. I'm not in HR, I'm not in any kind of decision making capacity. And I want to start introducing this concept of hybrid work and flexible work to my team. Are you seeing employees bring up these conversations with their leaders with their HR teams? And any advice on how to do that?

Mark 51:49

You'd be amazed here, that's where it's coming from. Because what's happening is workers, you know, team members are talking to their boss and saying, What's going to happen? We don't have to all come

back to the office there. Am I gonna have to do that to our community every day. Because actually, you know, what, my family life, not for everyone, by the way, but for a lot of people, their family life has been transformed. They're seeing their kids, they're going to the school play, they never could do that before because they didn't get home until the kids were going to bed. You know, it's it's transformational. And people are actually concerned that things go back to you know, I've got to come back to the office. So that's a lot of where it's coming from. So clearly, you need to have people need to have that conversation, and you need to make sure that conversations going up. So you know, is my company going to embrace something like this in the future? You got to get it on the agenda.

Jacob 52:45

Yeah, no, love it. Well, I think this has been a fantastic conversation, lots of wonderful advice for organizations, for leaders for employees who are thinking about hybrid work. Mark, where can people go to learn more about you International Workplace Group, I mean, anything that you want to mention, please feel free to mention.

Mark 53:13

Yep, no, international workplace group is IWGPLC.com. We're a public company. You know, just IWG in the in your browser, you'll find us. We've got our brands, Regus, spaces, HQ. We're a big investor in the wing, which is a women only co work center and meeting center. So, you know, if you want to get in touch with me, if you can connect with me, also through the website, or through LinkedIn, I'm there on LinkedIn as well. So, you know, all of those methods, you know, very interested in if anyone's got any feedback, good or bad. You know, again, as I said, I'm always interested in learning so and you learn from what people say to you, not what you think they thinking.

Jacob 54:03

Yeah, no, this has been a fantastic conversation. Mark, thank you so much for taking time out of your day to join me really appreciate it.

Mark 54:18

It's been a pleasure, Jacob. Thank you very much.

Jacob 54:13

My pleasure, and thanks again for tuning in everyone. My guest again, Mark Dixon, CEO and founder of International Workplace Group, formerly Regis and I will see all of you next week.