

ORGANISATIONAL STRUCTURES AND BANKSIDE 123

TABLE OF CONTENTS

OS-3	INTRODUCTION
OS-3	IPC MEDIA AS TENANT HISTORY OF IPC STRUCTURE OF IPC
OS-4	TIME WARNER HISTORY AND STRUCTURE OVERVIEW OF IPC'S ROLE IN BANKSIDE'S DEVELOPMENT
OS-8	ORGANISATION AND SPACE THE DEVELOPMENT OF THE MODERN OFFICE
OS-9	RECENT HISTORY: BANKSIDE IN CONTEXT
OS-10	OFFICE TYPOLOGIES TAYLORIST MODERN OFFICE BÜROLANDSCHAFT SOCIAL DEMOCRATIC EUROPEAN STAKEHOLDER/COMBI OFFICE US/UK DEVELOPER-LED OFFICE
OS-11	PLAYERS AND OBJECTIVES INTRODUCTION IPC: OBJECTIVES SAVILLS: OBJECTIVES CB RICHARD ELLIS: OBJECTIVES
OS-13	TIME WARNER AND TIME INC.: OBJECTIVES TIME WARNER: INSTABILITY
OS-14	OTHER PLAYERS
OS-15	THE OFFICE
OS-17	ANALYSIS DESIGN CONTROL
OS-18	IPC'S FIT OUT OF BANKSIDE 1 USABILITY NOISE, DISTRACTION AND PERSONAL SPACE
OS-19	ACCESS TO LIGHT AND WINDOWS HVAC SYSTEMS, VENTILATION AND SICK BUILDING SYNDROME COMMON AREAS UNANSWERED QUESTIONS AN ALTERNATIVE METHOD?
OS-20	CASE STUDY: GRUNER + JAHR CONCLUSION

INTRODUCTION



In examining the topic of organisational structures and the commercial real-estate development process, we began by researching the history of organisational theory and office typologies. Our focus quickly shifted after identifying IPC Media as the major tenant of Bankside 1. IPC presented a fascinating case study of a firm that would be undertaking a major spatial reorganization which would undoubtedly have consequences for both employees and the operations of the firm as a whole. In the process of our research, we discovered that as a subsidiary of Time Inc., a division of the huge multinational TimeWarner, IPC was just one player in a much more complex hierarchy of actors in which the decisions of the development process are made. Given these larger global forces, we were intrigued with exploring how the interests and concerns of the actual employees of IPC would be affected by these decisions. The study of the development of one building in London has resulted in the exposure of complexities at both the local and global level, and the role of some of the players involved in these processes are discussed in the following pages.



IPC MEDIA AS TENANT

HISTORY OF IPC

The International Publishing Corporation Ltd (IPC) was formed in 1963 when three rival UK publishing companies, George Newnes, Fleetway Publications, Oldhams Press, and The Mirror Group merged. In 1968 IPC formed IPC Magazines. In 1970 the Reed Group acquired IPC to form Reed International. In 1976 IPC Magazines made the move to their current home at King's Reach Towers. In 1998 Cinven, an investment company, acquired IPC Magazines. The company decided to rebrand with the arrival of the new millennium and changed its name to IPC Media. In 1999, Wallpaper* group was acquired and IPC developed its current structure of six divisions. Throughout its history IPC both continued to create new magazines and join with international publications, like Marie Claire, to distribute in the UK.

STRUCTURE OF IPC

With 85 magazine titles IPC Media is the UK's largest magazine publisher. IPC's six divisions each cater to a specific consumer demographic, and each run as its own separate business. Those six divisions include ipc connect, which publishes women's weeklies; ipc country life and leisure; ipc ignite, which publishes men's issues magazines; ipc SouthBank, which publishes women's and home issues magazines; ipc tx, which publishes TV listings magazines; and the Wallpaper* group which publishes Wallpaper* magazine.

IPC's magazines reach 28 million UK residents including 70% of the female population and 50% of the male population. Currently housed in King's Reach Tower in the Borough of Southwark, IPC employs over 2200 employees, approximately 70% of who are female.



Time Warner Center, New York City



TIME WARNER HISTORY AND STRUCTURE

Time Warner, based in New York City, is the world's largest media conglomerate. With approximately 85,000 employees Time Warner's 2005 revenue was over \$43billion. Through its various divisions, including AmericaOnline, Time Inc., Time Warner Cable, Home Box Office, New Line Cinema, Turner Broadcasting System, Warner Brothers and others, Time Warner has a global presence in television, film, magazines, books, and on the Internet.

Time Warner was formed in 1989 when Time Inc. and Warner Communications merged. In 1996 Time Warner acquired Turner Broadcasting Systems, and in 2000 Time Warner announced plans to merge with AmericaOnline(AOL). In January of 2001 the \$165billion merger formed AOL TimeWarner, the largest media and entertainment company in the world. In October of 2001 AOL Time Warner's publishing division, Time Inc., purchased the United Kingdom's largest magazine publisher, IPC Media, from Cinven.

OVERVIEW OF IPC'S ROLE IN BANKSIDE'S DEVELOPMENT

AOL Time Warner changed its name back to Time Warner in 2003 after posting a \$54billion loss. At that time Richard Parsons replaced Steve Case as Chief Executive Officer. In 2004 Time Warner moved most of its New York offices into a new world headquarters on Columbus Circle marking one of the largest real estate deals in that city's history.

In May of 2004 IPC Media announced they would be moving to a new headquarters that is part of the Bankside 123 development also located in the Borough of Southwark. IPC will take ownership of the building, which is still under construction, in March of 2006 and will actually move into the building in the summer of 2007 coinciding with the expiration of their lease at King's Reach Tower. The Bankside 1 building will house all of the divisions currently located at King's Reach including Marketforce, but will also incorporate the staff at their Fulham and Lancaster Place(home to the Wallpaper* division) offices. IPC will still maintain its other London office in Croydon, and the rest of its offices located around the UK, which are located in Poole, Burton-on-Trent, Manchester and Lincolnshire.

With their lease expiring in 2007, IPC looked at several options in their search for a new home. They briefly entertained the idea of renovating their current space which is in disrepair, but ultimately determined that moving to a new location would suit their needs better than Kings Reach Tower's. With the help of their agent, Savills, a short list of five options was arrived at. These included the Palestra, More London, Aldgate Union, and the Sainsbury's site adjacent to King's Reach Tower. In order to maintain their central location and cause the least disruption to their employee's commute, they ultimately decided to remain in Southwark.

IPC was courted by Land Securities who had already identified them as a potential occupier for Bankside 1. Because of their size they were one of about 50 possible tenants for the building. Land Securities and the architect Allies and Morrison presented the building design to IPC and relevant executives at Time Inc. IPC and Time, Inc. jointly arrived at the decision to move to Bankside 1, although Time Inc. managed the specifics of the deal and decided to purchase the building instead of lease it.

The move to Bankside 1 reflects other moves made by Time Warner worldwide. In both New York and Hong Kong Time Warner has moved the majority, if not all, of its divisions under one roof. In Hong Kong Time Warner was involved in the largest single lease agreement to date, as they consolidated their divisions into Oxford House, a speculative office building. In New York Time Warner moved its central command functions into its own building on Columbus Circle.

Time Inc.'s purchase of Bankside 1 will result in the six different divisions of IPC being brought together under one roof. Each is currently run as a separate business with shared administrative and managerial resources. Previously autonomous divisions such as the Wallpaper* group and Marketforce will now work side-by-side with other operations under the IPC umbrella. Furthermore, other functions of Time Inc. will be housed in Bankside 1, such as Time and Fortune magazines. The hope is that this will, according to Rosemary Drynan, Project Manager, Bankside Communications, facilitate better teamwork between and within divisions.



Oxford House; Time Warner's home in Hong Kong



IPC's current headquarters at Kings Reach Towers

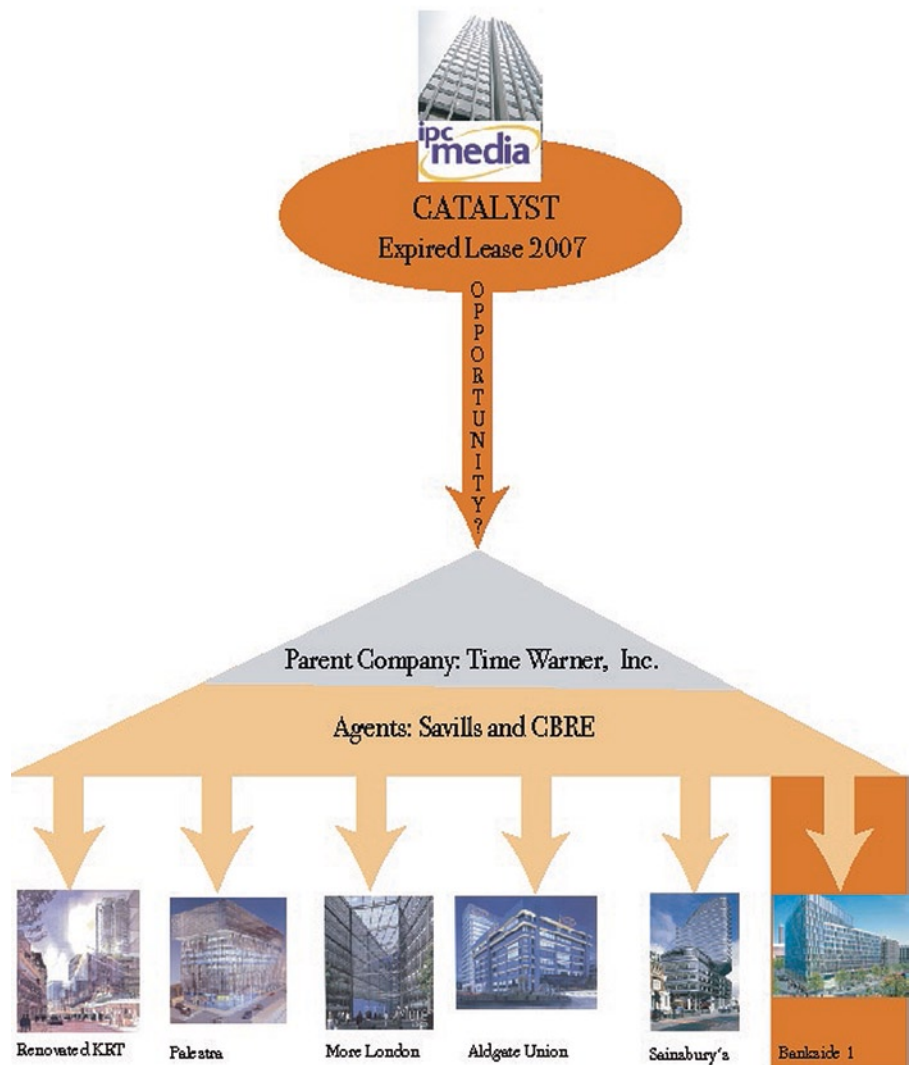
"The IPC brand will be upgraded for those who see the new modern headquarters and compare it to the current dated accommodation"

-Rosemary Drynan
Project Manager, Bankside
Communications
IPC Media

IPC developed its six divisions in 1999 following the purchase of the Wallpaper group and officially wishes to keep the divisions separate after the move. Furthermore, maintaining loyalty of individual employees to the identity of their respective magazine titles is also a priority in the move. However, standardized, large floorplate speculative office buildings often have many negative affects on individuals' working patterns, while increased interdependency and sharing of resources in the new headquarters will undoubtedly require adjustments to the current mode of operations. IPC's aspiration to maintain its current structure may be infeasible given the fairly drastic spatial re-configuration.

IPC also hopes to take advantage of the new neighbourhood, and "build a strong relationship with the community in Southwark". They are working with Better Bankside and have run a community programme called the Schools Design Programme. They also foresee their employees taking advantage of local resources such as retailers, art galleries, pubs, restaurants, etc. In fact, according to Ms. Drynan, several businesses currently located adjacent to King's Reach Tower have expressed their wish to relocate along with IPC.

FINDING BANKSIDE 1



4x4
25 Beautiful Gardens
25 Beautiful Homes
25 Beautiful Kitchens
Aeroplane
Amateur Gardening
Amateur Photographer
Angler's Mail
Bird Keeper
Cage & Aviary Birds
Caravan
Chat
Classic Boat

Decanter
Country Homes & Interiors
Country Life
Cycle Sport

Cycling Essentials
European Boat
Eventing
F

Golf Monthly
The Guitar Magazine
Hair
Hi-Fi News
Homes & Gardens
Horse
Hound

Ideal HomeIn Style
U.K.
International Boat
Industry
Land Rover World
Livingetc.
Loaded
Marie Claire
MBR - Mountain
Bike Rider
Mini World
Puzz
Collector



In 1976 IPC Magazines made the move to their current home at King's Reach Towers. Currently housed in King's Reach Towers in the Borough of Southwark, IPC employs over 2200 employees, 70% of whom are female.

tx focusing on the television industry

Wallpaper* design and lifestyle

ignite! men's interest magazines

ipc media

COUNTRY & LEISURE specializes in leisure activities

connect women's weeklies

SouthBank home and women's interest magazines

CEO: Sylvia Auton

HQ: King's Reach Tower, Stamford Street, London

Bankside Contact: Jenny Noon

IPC Media is the UK's largest magazine publisher. IPC Media is divided into 6 divisions each catering to a specific consumer demographic. IPC's magazines reach 28 million UK residents including 70% of the female population and 50% of the male population.

The International Publishing Corporation Ltd (IPC) was formed in 1963 when three rival UK publishing companies, George Newnes, Fleetway Publications, Oldhams Press, and The Mirror Group merged. Time, Inc. which is owned by the United States media conglomerate Time Warner purchased IPC Media from Cinven for 1.15 billion pounds in October 2001.

Motor Boat & Yachting
Motor Boats Monthly
Motor Caravan
NME
Horse & Hound
Ideal HomeIn Style U.K.
International Boat
Industry
Land Rover World
Livingetc.
Loaded
Marie Claire
MBR - Mountain Bike
Rider
Mini WorldNow

Nuts
Park Home & Holiday
Caravan
Pick Me Up
Practical Boat Owner
Practical Parenting
Prediction
Racecar Engineering
The Railway Magazine
Rugby World
Ships Monthly
Shoot Monthly

Shooting Times
Soaplife
Sporting Gun
Stamp Magazine
SuperBike
The Shooting
GazetteTV &
Satellite Week
TVTimes
Uncut

VolksWorld
Wallpaper*
Web User
Wedding
What CameraWhat Digital Camera
What's On TV
Woman
Woman & Home
Women's Own
Woman's Weekly
Women & Golf
World Soccer
Yachting Monthly
Yachting World

Time Warner

The largest international media conglomerate in the world, based in New York City.

Over 84,900 employees worldwide

Revenue 2005: \$43 billion
Net Income: \$2.9 billion

CEO: Dick Parsons
HQ: Time Warner Center
New York, NY



More than 130 Magazine Titles worldwide (85 of these are under the IPC umbrella) including Time, Fortune, Life, Money, People, Entertainment Weekly, In Style, Golf Magazine, Outdoor Life, Popular Science, Ski.

Time Inc.

The Publishing Division of Time Warner.

CEO: Ann S. Moore
HQ: New York, NY

Business Strategy: Seamless management of new acquisitions

In January 2001, becomes AOL-Time-Warner in \$165 billion mega-merger, the largest media merger in history.

Time Warner Book Group
Sold: 6 Feb 2006

Time-Life International Publishers of Time & Fortune Mags
Brettenham House



ipc media

tx focusing on the television industry
ignite men's interest magazines
connect women's weeklies

Wallpaper* design and lifestyle
COUNTRY & LEISURE specialises in leisure activities
SouthBank home and women's interest magazines

CEO: Sylvia Auton
HQ: King's Reach Tower, Stamford Street, London
Barkside Contact: Jenny Noon

IPC Media is the UK's largest magazine publisher. IPC Media is divided into 6 divisions each catering to a specific consumer demographic. IPC's magazines reach 28 million UK residents including 70% of the female population and 50% of the male population.

The International Publishing Corporation Ltd (IPC) was formed in 1963 when three rival UK publishing companies, George Newnes, Fleetway Publications, Oldham Press, and The Mirror Group merged. Time, Inc. which is owned by the United States media conglomerate Time Warner purchased IPC Media from Carven for 1.15 billion pounds in October 2001.

ORGANISATION AND SPACE

THE DEVELOPMENT OF THE MODERN OFFICE

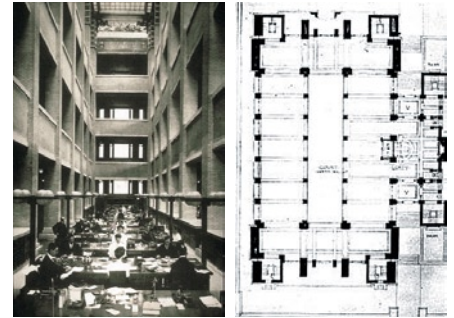
There is a long history of research and experimentation regarding the spatial layout and design features of offices and their effects on employees and organizational efficiency. Since Frederick W. Taylor published "The Principles of Scientific Management" in 1911, American offices have tended toward open-plan "bull-pen" plan and away from the cellular offices often preferred by workers (see survey results). This trend was originally adopted by American firms to increase surveillance and control of the workforce by management. An example of this type of office in its purest form is Buffalo New York's Larkin Building. Whilst Taylor's office management theories have become obsolete, the large, antiquated open plan has been adapted for modern purposes with changing technology, and continues to reflect the hierarchical structures of many American firms.

"Taylorist" offices were never adopted on a large scale in Europe as companies and operations tended to be smaller than in the United States. Furthermore, a strong appreciation for the individuality afforded by private offices was widely recognised in European countries. However, with the technological developments of the 20th Century such as fluorescent lighting systems, central air conditioning and acoustical ceilings, the open-plan, deep floorplate office building became a cost-cutting technique for developers, as it offered spatial flexibility and the increased accommodation of workers per square foot. By mid-century, this type of office space was widely adopted in the United States, such icons of the era as Lever House, the Seagram Building and the Chase Manhattan headquarters in all New York City.

In Europe, modern technologies led to adoption of the modern, open-plan office, but rather than reflecting the hierarchical nature of firms, it was used as a means to represent flattened hierarchies. Bürolandschaft or "Office Landscape", a German interpretation of the open plan office was developed in the 1960's, Bürolandschaft was designed to break up the monotony of the American floor-plans, such as the Union Carbide Building, and to facilitate physical accessibility and communication of employees. This movement evolved from post-Second World War economic restructuring and the retreat away from rigid hierarchies towards the incorporation of workers in Northern Europe.

The fundamental difference between the American tradition and the European tradition of office development in the 20th century, was a clear recognition in Europe for the rights and well-being of employees in the design of offices, and the subsuming of these interests to the forces of development in the United States. In Northern Europe, strong unions and the development of workplace laws, began to shape the design of offices, as demands for privacy, access to natural light, operable windows, personalized space and useable common areas led to increased innovation in design. In American offices, worker complacency allowed for office developments to be designed in the interests of developers and firms, desiring to maximize spatial efficiency.

The major difference between the American tradition and the European tradition of office development in the 20th century, was a clear recognition in Europe for the rights and well-being of employees in the design of offices, where in the United States and the United Kingdom, this was not present. In Northern Europe, strong unions and the development of workplace laws, began to shape the design of offices, as demands for privacy, access to natural light, operable windows, personalized space and useable common areas led to increased innovation in design. In American offices, continued worker complacency has allowed for office developments to be designed in the interests of developers and firms, desiring to maximize spatial efficiency.



Buffalo New York's Larkin Building represents the "Bull-pen" open plan office, originally designed for surveillance and control of workers by corporate administration.

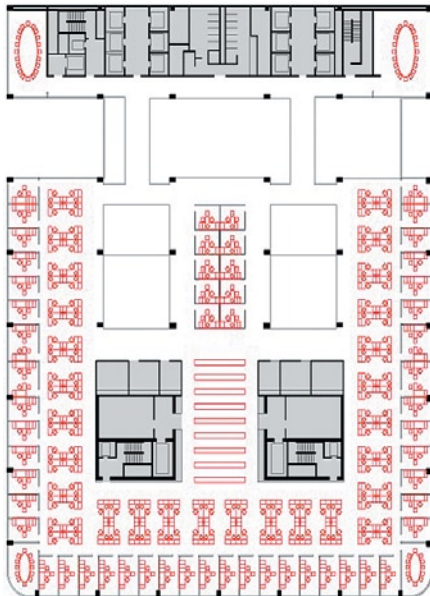
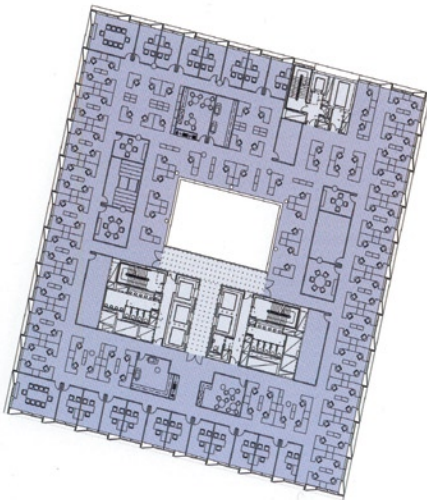


Lever House, on New York City's Park Avenue, represents the Mid-Century, air conditioned, deep floorplate offices, derived from the Taylorist open plan model.

"Taylor's influence on the physical environment is today hindering the adoption of new ways of working and is in danger of suffocating management initiatives."

-Francis Duffy, 1999

Typical corporate layout			
Net lettable area	1,752.4 Sq m	(18,863 Sq ft)	
Net lettable efficiency	83%		
Circulation	413 Sq m	(4,446 Sq ft)	
Cellular	245 Sq m	(2,637 Sq ft)	14% of NLA
No. of persons	18		
Open plan	747 Sq m	(8,041 Sq ft)	43% of NLA
No. of persons	127		
Support	349 Sq m	(3,757 Sq ft)	20% of NLA
Total headcount	145		
Occupancy rate	1:12.1 Sq m	(1:130 Sq ft)	



All of the Bankside buildings (including Bankside 2 above) show deep floorplate offices, designed to attract the widest range of tenants (top). Corporations are required to adapt to these speculative floorplates appropriate for a banking operation such as Citibank in Canary Wharf, London (below). This may not be an ideal solution for the organisational structure of a publisher or meet the needs of its employees.

B. RECENT HISTORY: BANKSIDE IN CONTEXT

The United Kingdom has been more closely tied to the American tradition of development than the tradition of its Northern European neighbours. Bankside 1,2,3 is very much a developer-led project, with large floorplates, pre-designed to attract multiple firms for long-term leases. Land Securities, the country's largest developer, and its letting agent, CB Richard Ellis the world's largest real estate agency, marketed the building with a variety of floor-plans to show the "flexibility" of the space as it might be adapted to multiple types of firms. While this might allow for flexibility on the side of the developer, it presents a spatial template to which tenants must adapt. While IPC might benefit from moving out of its offices at Kings Reach Tower, the existing organisational structure and workplace operations cannot be fully addressed by the design of its new building.

Since the economic restructuring of the early 1970s and the globalization of world markets, the developer-led North American/UK office tradition has come to dominate office development in cities around the world, regardless of cultural context. In highly regulated Northern European economies, the open plan was rejected as it provided little privacy for employees, and was further criticised for being noisy, which affected workers ability to concentrate. Lack of good air quality, and lack of environmental concerns such as inefficient thermal cooling, became increasingly recognized in the large floor-plate open plan office.

In response to these growing trends, the Centraal Beheer insurance company built a custom-designed headquarters, to address the needs of employees. Coinciding with the energy crisis of 1973, this marked a new turning point in the recent history of office development as it moved toward sustainable, small-scale custom built solutions in Northern European offices. The introduction of workplace rights throughout the 1970s led to policies within firms to give personal control of the workplace to employees. In 1970s and 1980s Sweden's state-run Building Board (Byggnadsstyrelsen) focused on more cellular offices that were seen to be better for meeting the "important human needs" of access to natural light, privacy, and proximity to open windows. Furthermore, the development of the "combi-office" introduced a working balance between cellular plan office space and open-plan representative and communal space. The Scandinavian Airlines Systems headquarters in Stockholm, built in 1988, is a prototype of this kind of office.

The economic advantages of the large open-plan office have been increasingly outweighed by employee well-being issues in many Northern European countries since the 1980's. In these countries, offices now tend to be low, rather than high rise, and have narrow floor plates in order to provide employees with good access to daylight and fresh air. They are often located in suburban areas and are custom designed for their tenants.

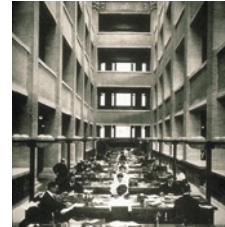


The Central Beheer insurance Company in Apeldoorn, the Netherlands

OFFICE TYPOLOGIES

TAYLORIST

Occupier Type	Spatial Description & Social Aims
Hierarchical, paternalistic, characterized by surveillance and control	Purpose-built, owner occupied Inflexible Specialized tasks Spatially reflects hierarchy



1904
Larkin Building
Buffalo, NY
Frank Lloyd Wright

MODERN

Occupier Type	Spatial Description & Social Aims
Hierarchical, corporate Firm identity represented in architecture	Purpose-built, owner occupied Division of labor Highly standardized Image of efficiency Submission of individual to firm identity



1961, Chase-
Manhattan Bank,
New York, NY,
Skidmore Owings &
Merrill

BÜROLANDSCHAFT

Occupier Type	Spatial Description & Social Aims
Flattened hierarchy	Purpose-built, owner occupied Open plan with strategic partitions Differentiation among divisions Encouraged horizontal interaction between staff levels
Free flow of communication	Management sits in office with workers



1963, Osram Offices, Munich
Walter Henn

SOCIAL DEMOCRATIC

Occupier Type	Spatial Description & Social Aims
Democratic structure/values Synergy between management and employees	Purpose-built, owner occupied Combination of enclosed, open plan and mixed offices Designed for worker well-being Intended to foster trust, initiative, individuality



1972
Centraal Beheer
The Netherlands
Hermann
Hertzberger

EUROPEAN STAKEHOLDER/COMBI OFFICE

Occupier Type	Spatial Description & Social Aims
Employee ownership	Purpose-built, owner occupied Cellular offices with many informal contact points and common areas Increased control over each workspace Reflected increased employee ownership



1985
Gruner & Jahr
Hamburg
Steidle &
Kiessler

UK/US DEVELOPER-LED OFFICE

Occupier Type	Spatial Description & Social Aims
Hierarchical Multi-divisional	Developer-built Built as flexible as possible to appeal to as many tenants as possible Often let to multiple tenants



2006, Bankside 1, London, UK
Allies & Morrison

PLAYERS AND OBJECTIVES



INTRODUCTION

The sale of Bankside 1 to Time Inc. in order to house IPC Media and other Time entities in one location involved other players as intermediaries, each with their own set of objectives. While employees of IPC's various divisions will be the direct users of the building on a daily basis, their needs and objectives have only been taken into consideration in the context of the other players' needs. Land Securities dealt with CB Richard Ellis, the world's largest letting agent, and IPC, using Savills as a realtor, reported to Time Inc. throughout the search and subsequent purchase of the building. Here we examine these players in greater detail.

IPC: OBJECTIVES

The dilapidation and deficiencies of the current headquarters at King's Reach tower is the major impetus for IPC's move. While IPC considered renovating their current home, this idea was ultimately discarded as the building has cramped meeting spaces, inadequate facilities and insufficient "heart" or "shared" spaces for group interaction. Currently IPC's offices are dispersed across London and within King's Reach Tower's twenty-nine floors, hindering communication within the firm. Furthermore, IPC employees at King's Reach suffer from an unreliable lift system and a deficient HVAC system. The "image" that IPC presents is also a concern as King's Reach is seen as being dated and unappealing, with inappropriate meeting spaces such as limited reception and staff congregation areas. New accommodation was required to give IPC a more modern and highly functional building that could incorporate its different divisions' diversity and independence, while facilitating communication within the organisation as a whole.



SAVILLS: OBJECTIVES

Services: Residential and Commercial Brokerage, Property Management, and Financial Planning

Headquarters: London (joined with Trammell Crow in the United States)

2004 Revenue: \$631.7(m)

1-Year Sales Growth: 17.8%

2004 Employees: 12,794

1-Year Employee Growth: 11%

Savills was contacted by IPC in 2002 to begin the search for over 250,000 square feet of office space needed by 2007. Director Philip Pearce dealt directly with IPC's facilitator Jenny Noon throughout the process, and finance director Bill Aley to search for spaces across London from Paddington Basin to various Docklands locations. Savills suggested that the redevelopment of King's Reach Tower was unfeasible as it would prove to be extremely disruptive for IPC to temporarily relocate. Savills ultimately presented a short-list of five properties in and around the Southwark and City areas, all of which were new-builds. As Philip Pearce notes "Time Inc. was committing vast sums of money to the project, so risk management was very important in the whole process."



CB RICHARD ELLIS: OBJECTIVES

Services: Real Estate Brokerage, Market Research, Mortgage Banking, and Asset Management

Headquarters: Los Angeles, CA (operations in 58 countries)

2005 Revenue: \$2,910.6(m)

1-Year Sales Growth: 23.1%

2004 Employees: 13,500

1-Year Employee Growth: 0%

The deal between Land Securities and Time Inc. was primarily brokered by two individuals at CB Richard Ellis, including Digby Flower, Executive Director of City Investment. CBRE is the largest letting agency in the world and has provided services for Land Securities on "development consultancy, leasing projects, rent review and lease renewals in respect of both offices and retail over the last 30 years."

TOP TENS

London Development

BANKSIDE 123 PLAYERS

Rankings are based on the aggregate floorspace for each firm based on major schemes under construction.

Top 10 Developers

1. Land Securities
2. More London
3. British Land
4. London & Regional
5. Scottish Wives
6. CLOUT
7. Blackfriars Investments
8. Parabola Land
9. Prudential
10. Sloane Capital

Top 10 Architects

1. Foster and Partners
2. Allies & Morrison
3. McCormack Jamieson
Pritchard
4. Bennetts Associates
5. EPR Architects
6. John Robertson Architects
7. Eric Parry Architects
8. Dixon Jones
9. Alsop Architects
10. Kohn Pedersen Fox

Top 10 Contractors

1. Bovis Lend Lease
2. Sir Robert McAlpine
3. ISG plc
4. Mace
5. Skanska
6. Kier
7. Calliford Try
8. Mitie
9. Overbury
10. Mowlem

Top 10 Letting Agents

1. CBRE
2. Jones Lang LaSalle
3. DTZ
4. BH2
5. Savills
6. Colliers CRE
7. Drivers Jonas
8. Strutt & Parker
9. Knight Franks
10. CWHB

Source: London Report, The Indispensable Office Property
Who's Who, November 2005



Bankside 1,2,3 was represented as a flexible space by both Land Securities and by CBRE. Admittedly, Land Securities designed the building with financial or bank tenants in mind. When asked about which tenants would be attracted to a building like Bankside 1, Digby Flower has said: "Banks using dealing floors... prefer very large wide floor plates, solicitors who occupy cellular offices prefer narrower floor plates." Bankside 1, a large floorplate building with a mean floor area of 3,739.7 square metres, and a trading floor seems clearly designed to meet the needs of a bank or financial tenant, although in Land Securities marketing package, its mock-ups of floor-plans the space was marketed to a variety of tenants.



When identifying potential tenants for Bankside 1, CBRE looked for "large space occupiers, requiring top quality space, in a well connected but not prime location." IPC, which was known to require a new tenancy after its lease expires in 2007, was long identified by CBRE as a major local firm amongst fifty other firms that might become one of LandSecurities' tenants.

Jonathan Turk of Land Securities said of the deal: "The first class team at CB Richard Ellis enabled us to secure a forward sale of half a million square feet to IPC Magazines. They used their extensive knowledge of the market to see the transaction through. Their tenacity, experience and innovative approach created an outstanding result for LandSecurities." (<http://www.cbre.com/USA/About+Us/Media+Centre/CBRE+News/Success+and+the+City+---+City+Agency+Team+Wins+London's+Team+of+the+Year.htm>)

Bankside 1 (above) follows in a tradition of large floor-plate speculative office buildings (below). IPC's move to the new building will require an adjustment in spatial arrangement which could result in alterations to the company's organisational structure and operations.

TIME WARNER AND TIME INC.: OBJECTIVES

Upon the sale of IPC to Time Inc. in 2001, CBRE was presented with a much larger potential tenant. With several divisions in the United Kingdom, Time Inc. also presented an opportunity for CBRE as it has several other operations in London and had dealt with CBRE before when finding space for their offices at Lacon House, Theobald's Rd, in London. CBRE has also worked on real estate deals for TimeWarner in various other locations, including the 1997 deal to centralize most Asian operations at Oxford House in Hong Kong.



Bankside 1 Topping Out. Sylvia Auton, CEO IPC Media; Jason Millet, CEO, Bovis; and Francis Salway, group CEO LandSecurities

"Internally, the offices will provide efficient workspaces. Because the floor plans are modular, they are flexible enough to cope with the diverse and changing needs of each department or magazine."

Tim Makower
Architect
Allies & Morrison

Time Inc. was involved in the property search at the outset and sent over property and IT teams from New York during the sale in order to assess the benefits of buying the building as opposed to just renting a large portion of it for IPC. Time Inc. was looking not only to house most of its major UK operations in Bankside 1, but also its European data centre. As the centre of European data management, Bankside 1 essentially becomes a European command centre for Time Inc, if not Time Warner itself. This would seem to be in keeping with its strategy of incorporating major national and regional Asian operations under one roof.

TIME WARNER: INSTABILITY

Bankside 1 would appear to be an ideal investment for Time Warner since it will likely cut operational costs in London. It will also provide enough flexibility for a future of increasing technological innovations and likely organizational change. Currently, Time Warner has been under pressure from major shareholders to disaggregate the unruly multinational by selling off excessive and money-losing operations. Carl Icahn, a New York businessman who at 3% is the largest individual shareholder, has been leading this agenda. Time Warner's instability was seen clearly when Time Warner Books was sold to a French company, Lagardere, in February 2006. Time Warner Book Group UK, which was supposed to occupy Bankside 1 with IPC and Time Life International, will now remain in its current location, leaving two floors of commercial Bankside 1 empty. These two floors, including the trading floor, will now be leased out to tenants by IPC, or reappropriated should IPC or TimeWarner expand UK operations.

In the context of this uncertainty, IPC and its divisions have been at risk of being sold off. In planning for this possibility, Time Inc. has also arranged a deal with IPC to lease the building back to IPC should the organization be sold off by Time Inc. at any point in the future.

OTHER PLAYERS

LAND SECURITIES



Services: Retail, Office Space, and Property Outsourcing
Headquarters: London (40 other offices throughout the UK)
2005 Revenue: \$3,023.0(m)
1-Year Sales Growth: 11.8%
1-Year Employee Growth: 19.3%
Property Managed: 10 Million Square Feet



Allies & Morrison's Headquarters on Southwark Street, built 2003.

ALLIES & MORRISON

Services: Design Retail, Residential, Office Buildings, and Public Space
Headquarters: London
Employees: Approximately 200
Founded: 1984



BOVIS LEND LEASE

Services: Project Management and Construction
Headquarters: London (operates in 40 countries)
2004 Revenue: \$6,708.6(m)
1-Year Sales Growth: -.5%
2004 Employees: 9,060
1-Year Employee Growth: 20.8%

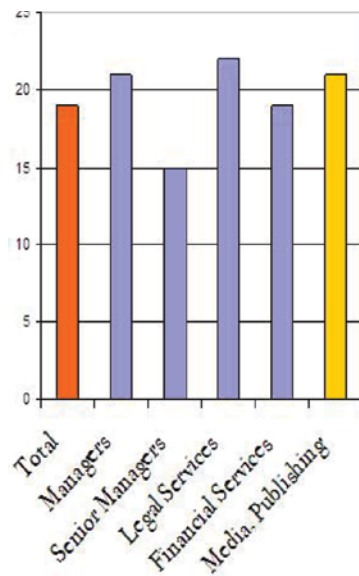


BROADGATE ESTATES

Headquarters: London
Services: Property Management
Annual Revenue: \$20,081,842
Employees: 117

THE OFFICE

If my workplace was improved it would increase productivity by...



Source: Gensler

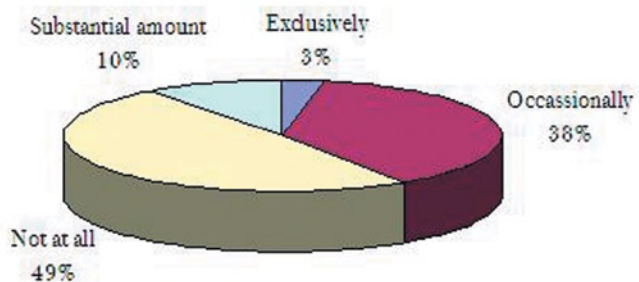
For all the strategic planning and meticulous organization entailed in moving a large firm to a new building, there are bound to be unforeseen outcomes. The corporate powers of IPC have branded the move with the tagline: "Our Move – Small Journey. Big Adventure." In many ways, the move to Bankside 1, which has been renamed the Blue Fin Building by IPC, will address the immediate concerns of management. However, beyond rectifying the problems caused by severe infrastructural limitations of the current building, how much thought has been put into how people will inhabit the drastically different space?

In a larger context, what does anyone want out of the spaces where they spend an average of 140 hours a month? People are increasingly working longer hours, and recent research has found that 1 in 6 people now work more than 60 hours per week, compared to 1 in 8 in 2000. A certain amount of these will be working from areas outside the traditional office, however our research has shown that only 13% of people are able to work from home exclusively or a even a substantial amount. Despite continued predictions of the proliferation of "hotdesking" and the "virtual office" it would seem from our research that these are the least favored types of working environments. For at least the foreseeable future, the office will continue to function as the center of communication, productivity, and engagement.

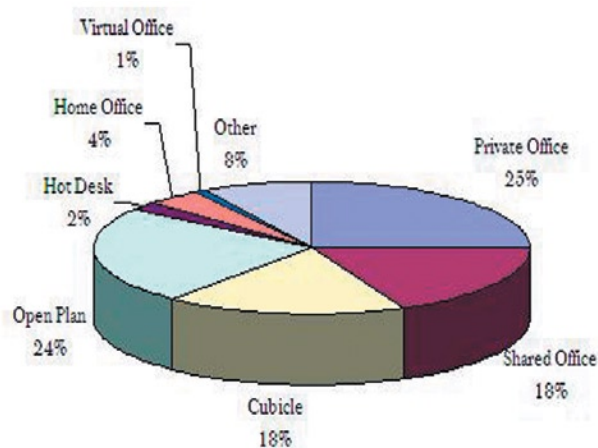
Employees who responded to our survey sent out to 200 individuals worldwide indicated that many of them currently work in a cubicle or open plan style office, although they overwhelmingly would prefer a private office. Of course, most would probably not be content with an office filled solely with individual cells. Faced with such a possibility, most of us would be alienated by the anti-social atmosphere such an image conjures. Seen in conjunction with the obvious unpopularity of the cubicle and open plan offices, we can interpret this information as a wish for increased privacy and more personal space.

Is the office still important in an age of increased physical mobility and virtual flexibility? With technology we are now able to effectively communicate from home, the client site or the airport by email, teleconference, instant messenger, Blackberry and wireless communication. However, perhaps even more so now than in the era of paternalistic firms epitomized by Frank Lloyd Wright's Larkin building, we turn to the office as the provider of social interaction, mental challenge, and life purpose. Yet, concurrently we have witnessed a trend to increasing banality of office space. Open plan, increased flexibility, deep floorplate, hi-rise location is where many of us spend our working hours. Studies have shown productivity is directly linked to positive office environment. It is within the employer's best interests to provide the highest possible physical standards for their employees. From our research into the case study of IPC Media and Bankside 1, we have seen that in today's development culture this is emphatically not the case.

HOW OFTEN DO YOU WORK FROM HOME?

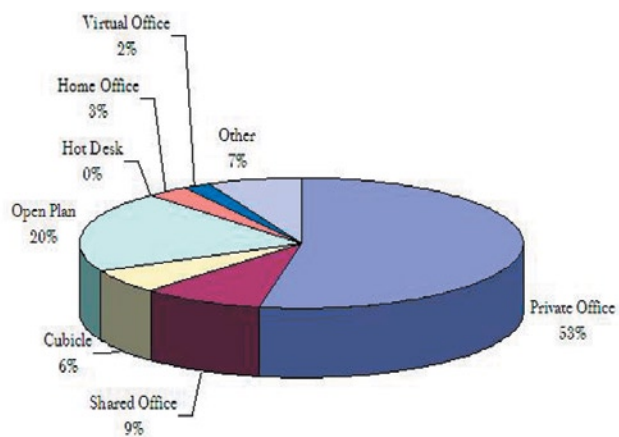


WHAT TYPE OF ENVIRONMENT DO YOU CURRENTLY WORK IN?



61% of those surveyed work in some form of private office or shared office, and 24% work in an open-plan environment.

WHAT IS YOUR IDEAL WORK ENVIRONMENT?

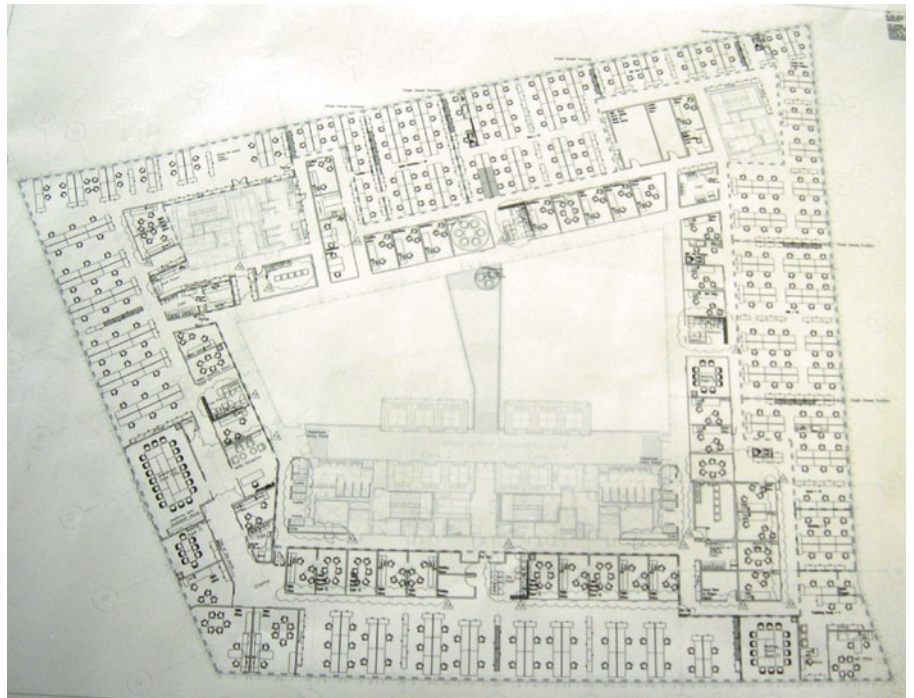


68% of those surveyed prefer some form of private or shared office, while only 20% prefer an open-plan office.

ANALYSIS

DESIGN CONTROL

Given that Bankside 1 was built for a financial or banking tenant and that IPC is a creative company with a unique organisational structure, there seems to be a basic mis-match between tenant and building. Bankside 1 was built for a financial or banking tenant. According to a study by Gensler Architecture, Design & Planning Worldwide, 88% of media and publishing professionals say that the quality of their working environment is very important and 44% take offices into consideration when choosing an employer. At IPC only, "key" employees were surveyed when assessing the needs of employees, but none had a role in choosing Bankside 1 or the criteria for the fit-out process. Neither did IPC management have an opportunity to be involved in the design process from the outset. By the time they decided to lease and then buy the building, the design had already been decided and executed by LandSecurites, Allies and Morrison, and CBRE, the latter having been in contact with LandSecurites from the beginning of the design process.



TP Bennett's Space Plan For Bankside 1

IPC'S FIT-OUT OF BANKSIDE 1

IPC Facilities director Jenny Noon had direct contact with Land Securities over the sale of the building and limited discussion with Tim Makower at Allies and Morrison in order to relocate certain escalators and central atrium features during the construction process. IPC hired Richard Beastall at tp bennett interior design to layout the interior of the building in order to better accommodate IPC's structure of small subdivisions and titles. For example, moveable division walls are to be located between magazine sections to provide enclosure for each title. Test kitchens are to be built-in to the office spaces of the cooking magazines and photographer's darkrooms are to be included in the plan. The move to a new functional facility is seen by many employees to be a large improvement on the current accommodations at Kings Reach Tower.

USABILITY

According to the same Gensler survey noted above, 39% of professional respondents claimed that "personal space" was the most important factor in a good working environment, with climate control and access to daylight as second and third most important factors, respectively.

While company literature highlights some of the benefits of moving to Bankside 1, much of the focus is on the deficiencies of Kings Reach Tower with its cramped workspaces, faulty HVAC system and dysfunctional lifts. What is not discussed is how the actual use of the new space will affect employees and the organizational structure of IPC.

IPC's unique corporate structure is characterized by small-scale divisions and titles that foster employee identity and loyalty to each individual magazine. In Bankside 1 the divisions are awkwardly transplanted into a large floor-plate development that was created to satisfy the needs of capital and technological flexibility, not of employee or firm structure.

NOISE, DISTRACTION AND PERSONAL SPACE

The working floor plan provided by tp bennett interiors shows a very densely packed open-plan workspace with 316 seats per floor in the open area. For employees currently concerned about cramped workspaces, the new floor plan does not appear to address this concern. Open-plan workspaces have been repeatedly shown to stifle employee creativity and motivation (Michael Edwards, Bartlett). Many of the individuals working for IPC are writers, and the lack of private offices and quiet spaces are quite noticeable since distractions of noise, limited privacy and constant interaction with employees of other divisions pose a threat to the everyday productivity of employees.

IPC employees have expressed concern over the lack of cellular offices in the new plan as only 10% of employees will have private offices in Bankside 1. With the majority of employees desiring access to a cellular office (see survey), no information about this issue has been forwarded to employees by IPC, to prevent conflict within the organisation.



Bankside 1

ACCESS TO LIGHT AND WINDOWS

The private offices that are included in Bankside 1 will front onto both the central atrium and the open-plan area. These offices will have little access to daylight, but will provide most of the remaining staff with access to daylight. However, there will be limited access to views with windows for most employees. The wide floor plates and dense rows of desks will mean that few employees will work near a window. Managing Directors will have corner offices, although they will have views onto Southwark Street, not to the river.

HVAC SYSTEMS, VENTILATION AND SICK BUILDING SYNDROME

While the HVAC system will likely function better than at King's Reach, deep floor-plate buildings with elaborate ventilation systems have been known to cause "Sick Building Syndrome," (SBS) a condition that affects those who spend long hours in these types of buildings. SBS is a common condition, with symptoms that include headaches; eye, nose, and throat irritation; dry coughing; dry or itchy skin; dizziness and nausea; concentration problems and fatigue. SBS reduces worker productivity and increases absenteeism. Still, many companies do not take this into account when making their decisions about real-estate leases and acquisitions.

COMMON AREAS

Public areas on the tenth floor will provide a view of the Tate Modern and the City, and will be the location of a smoking terrace and cafeteria. These will act as representative spaces for the organisation, but the primary "heart" space will be a triangular area on the third floor of the atrium nicknamed "The Cheese" which will have shops and cafe tenants catering to Time Life international and IPC. IPC employees, however, as users of this common space will not have any official control over the selection of retail tenants for these spaces. Land Securities still has control over the retail spaces in Bankside 1,2,3 and therefore will effectively select tenants who will meet its interests. IPC will have limited influence over the selections that Land Securities chooses.

UNANSWERED QUESTIONS

The employees of IPC have been sold on the move to Bankside 1 with a great deal of marketing and PR within the firm. They have not, however, been given any direct answers about daily operations within the new building. They did not have any control in the selection of the new building, or in the workspaces that they would occupy, nor will they be given ownership over the common or "heart" spaces that were lacking in the King's Reach tower.

Furthermore, there is little indication that IPC management itself was the deciding body in the purchase of Bankside 1 as the building is owned by TimeInc. and will see its retail functions leased out by Land Securities.

AN ALTERNATIVE METHOD?

Since the 1980's, Northern European countries have leveled the economical advantages of the large open-plan office by firmly affirming the rights of employees and their well-being. Several Northern European countries have legislated acts that guarantee workers' rights to control their work environments and have appropriate access to natural light, ventilation and privacy.

Sweden's 1977 Act of Co-determination at Work, for example, emphasizes employee participation in decision making. "Shop floor participation" aims to enhance the influence of individuals over their own work. Companies will design workplaces and job content, so as to create a better work environment and increase the opportunities for workers to influence their own job. Swedish companies have pioneered this initiative, and have focused on encouraging consultative management and an informal business and workplace climate. "Company participation" refers to the influence of employees over their workplace through the unions. By recognizing that the needs of the employees are vital to overall company productivity, firms in Northern European countries tend to include employees in the design process under the umbrella of a worker's council or union. Thus, employees are given ownership over their workplaces and have greater participation with management over the best way to use space.

"Combi-Offices" have become the standard for Northern European firms in the past twenty years. Scandinavian Airline Systems'(SAS) 1988 headquarters in Stockholm is the typical version of this typology as it includes a combination of cellular offices, meeting spaces, and informal gathering places in naturally ventilated interior atriums that enclose "streets." In the creation of this building, SAS created a brand image and a permanent home for the company.

CASE STUDY: GRUNER + JAHR

Gruner + Jahr AG, the publishing arm of multimedia Bertelsmann is a company not unlike IPC, publishing 90 magazines and newspapers in 13 countries and employing 12,000 employees worldwide.

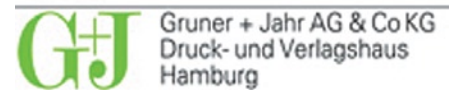
In the late 1980's, Gruner + Jahr built the Verlagshaus on Hamburg's port. The Verlagshaus is a combi –office with narrow floor-plate cellular office blocks connected by bridges, and linked to common areas. There are usable green and public spaces within the Gruner and Jahr "campus" and a combination of cellular offices and open spaces. The Verlagshaus was designed to meet the needs of the company's organizational structure and the employees themselves.

CONCLUSION

The development of Bankside 123 follows in the North American tradition of office development wherein major decisions are directed by the interests of shareholders. The involvement of IPC, the primary tenant, is limited from the outset by the involvement of their large multinational parent company, Time Warner. The employees who will be spending their working hours in the new building are the least involved in the process and are required to adjust their operations to the standard deep floor plate template, provided by Land Securities as a low-risk real estate investment for Time Warner.

The UK does not have a tradition of empowering workers to affect change in the design of their workplace environments. In the need for increased flexibility required by shareholders and private capital, employees, buildings and firms become increasingly expendable and unstable. The hierarchical nature of UK organizations allows for all control to be directed from the top, down. In a globalized market, "the top" of a firm effectively becomes further and further disconnected from the level of employee, therefore shrinking the collective power of employees within subsidiary firms.

In the case of IPC Media, the employees have had limited and selective exposure to detailed information regarding their move throughout the entire process. The firm's unique and specific organisational structure will effectively be altered spatially which will potentially result in unforeseen changes to the firm itself. There has not been a democratic process in decision making within the firm and little has been conveyed to employees on how this will ultimately affect workplace environment and interactions between departments, individuals and magazines.



Gruner + Jahr headquarters in Hamburg



IPC'S MAGAZINES

4x4
 25 Beautiful Gardens
 25 Beautiful Homes
 25 Beautiful Kitchens
 Aeroplane
 Amateur Gardening
 Amateur Photographer
 Angler's Mail
 Bird Keeper
 Cage & Aviary Birds
 Caravan
 Chat
 Classic Boat
 Country Homes & Interiors
 Country Life
 Cycle Sport
 Cycling Weekly
 Decanter
 Essentials
 European Boat Builder
 Eventing
 Family Circle
 The Field
 The Golf
 Golf Monthly
 The Guitar Magazine
 Hair
 Hi-Fi News
 Homes & Gardens
 Horse
 Horse & Hound
 Ideal Home
 In Style U.K.
 International Boat Industry
 Land Rover World
 Livingetc.
 Loaded
 Marie Claire
 MBR – Mountain Bike Rider
 Mini World
 Ms.

Model Collector
 Motor Boat & Yachting
 Motor Boats Monthly
 Motor Caravan
 NME
 Now
 Nuts
 Park Home & Holiday Caravan
 Pick Me Up
 Practical Boat Owner
 Practical Parenting
 Prediction
 Racecar Engineering
 The Railway Magazine
 Rugby World
 Ships Monthly
 Shoot Monthly
 The Shooting Gazette
 Shooting Times
 Soaplife
 Sporting Gun
 Stamp Magazine
 SuperBike
 TV & Satellite Week
 TVTimes
 Uncut
 VolksWorld
 wallpaper*
 Web User
 Wedding
 What Camera
 What Digital Camera
 What's On TV
 Woman
 Woman & Home
 Women's Own
 Woman's Weekly
 Women & Golf
 World Soccer
 Yachting Monthly
 Yachting World

Most IPC and other Time Inc. UK titles will be headquartered within Bankside 1. New interdependency and sharing of resources could cause changes in the organizational patterns of the different divisions and titles.

Largest property developer in the UK



CEO: Francis Salway
HQ: 5 Strand, London
40 offices throughout U.K.
Revenue: \$3 million
Employees: 2,000
20% employee growth 2005

Bankside Contact: Jonathon Turk

Agent



Employees: 17,000
CEO: W. Brett White
HQ: LA (300 offices, 50 countries)
Commercial Leasing: 20.3 million
square feet/yr

Bankside Contact: Digby Flower

Architects
Allies & Morrison

Employees: 2,000
8 Partners
Southwark office built 2003

Bankside Contact: Tim Makower

Time Warner The largest international media conglomerate in the world, based in New York City.

Over 84,900 employees
worldwide

CEO: Dick Parsons
HQ: Time Warner Center
New York, NY



In January 2001, becomes AOL-Time-Warner in \$165 billion mega-merger, the largest media merger in history.

Time Inc.

Business Strategy: Seamless management of new acquisitions

Time-Life
International
Publishers of Time
& Fortune Mags
Brentford
House

savills

Bankside Contact: Philip Pearce



Birkbeck
University of London

Bankside Contact: Barry Winfield

tp bennett

Bankside Contact: Richard Beastall