

FROM DESK TO DISTRICT

EXPANDING HORIZONS IN
COLLABORATIVE INNOVATION

A report by IQL in partnership
with WORKTECH Academy



KLAUS SCHWAB
Founder
World Economic Forum

In the new world, it's
not the big fish which
eats the small fish, but
the fast fish which eats
the slow fish.



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THE CHALLENGE OF COLLABORATIVE INNOVATION

Many large organisations today are caught in an innovation dilemma. They know they must innovate to succeed, but struggle to find the right way to make it happen. According to research by CB Insights (2018), 85 per cent of business leaders in financial services believe innovation is the key lever of value creation, but only 43 per cent have established an innovation process. As the disruptions of the so-called fourth industrial revolution gather pace, there is less and less time for companies to adapt to new market conditions.

According to Klaus Schwab, founder of the World Economic Forum, "In the new world, it is not the big fish which eats the small fish, but the fast fish which eats the slow fish."

In this context, innovation matters because it creates competitive advantage. Collaborative innovation is increasingly viewed as a way for large businesses to link their scale and resources with the ideas and agility of start-ups and specialists. In its simplest form, collaborative innovation is a process in which multiple players both inside and outside an organisation contribute towards the development of new products, services, and business solutions, and openly share what they develop. This might include the involvement of multiple stakeholders, customers and suppliers—which is why the process itself is sometimes called open innovation.

Collaborative innovation seeks to combine scale with agility, achieving large projects at a speed and with a reach that traditional in-house corporate R&D—with its closed borders and restricted expertise—can sometimes struggle to emulate. Apple's successful launch of iPhone, inviting thousands of external software developers to create applications for its new device and share them online through the App Store, is widely regarded as the poster child for collaborative innovation. Shenzhen, the smart Chinese city dubbed 'the Silicon Valley of hardware', is another example of creating a powerful network comprised of small, specialist players able to collaborate both at speed and scale.

85%
OF BUSINESS
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THE KEY LEVER OF
VALUE CREATION

ONLY
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AN INNOVATION
PROCESS

THE CHALLENGES OF INNOVATION DON'T STOP AT THE DOORS OF THE OFFICE BUILDING

RIGHT PAGE
*Active lobby design for IQL's
new commercial building at
3 Westfield Avenue, an example
of a Shared Hub—see page 10
for more information.*

Around the world, new innovation districts are springing up in recognition of a simple fact: the challenges of innovation do not stop at the doors of the office building, but extend across an entire ecosystem that encompasses both the district and city scale. These innovation districts are a real-estate response to the need to create collaborative innovation networks; they comprise a complex amalgam of the key elements, and in extending from desk to district and beyond, they aren't homogenous. Indeed, they draw their strength from authenticity and diversity: in the words of social researcher Claire Madden, they should be "inclusive of a multi-generational, multi-cultural, multi-skilled community."

Collaborative innovation then operates across a number of levels.

In this report, we have identified three distinct spatial typologies that provide a catalyst for collaborative innovation from desk to district: the Innovation Lab, a contained and dedicated internal facility for employees which operates at the organisation level; the Shared Hub, which brings start-ups into the organisation and mixes things up at the system level; and the Knowledge Agora, a permeable district-wide ecosystem for innovation where the company is sited, with many external partners involved at this level.

For organisations looking to move to new facilities, the innovation district provides a vibrant platform for engaging with the process of collaborative innovation—a different option for relocation that offers an ecosystem of new partners, ideas, and inventions.

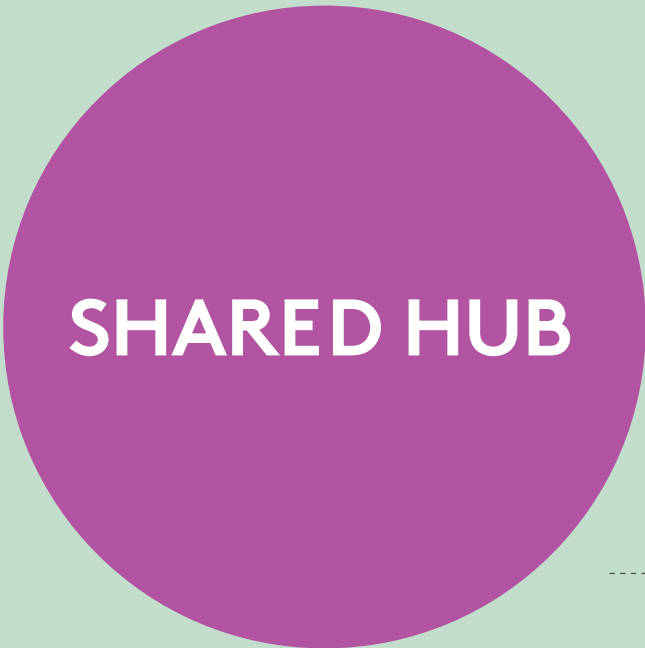




This report describes three models that can be used to facilitate collaborative innovation—from the contained workplace scale to the permeable district scale



ORGANISATION SCALE
Contained,
dedicated internal
facility for employees



SYSTEM SCALE
Brings start-ups into
the organisation and
mixes things up



ECOSYSTEM SCALE
Permeable district-
wide ecosystem for
innovation

JOIN THE CONVERSATION

LOOK OUT FOR

PRESENTATION SUITES
EXHIBITION AREAS
QUIET ZONES
PROJECT ROOMS
AGILE SCRUMS
COLLABORATION SPACES

STATUS

PRIVATE

WHAT IS IT?

The Innovation Lab provides a dedicated internal space or set of facilities to support innovation inside the organisation's walls. It remains contained, controlled and secure, but it is nevertheless the first building block in a strategy for collaborative innovation because external partners, customers and suppliers can be invited in for co-creation activities. It also departs from the traditional behind-closed-doors corporate lab in its adoption of a more sociable and outward-facing style and approach, with a mix of different spaces for activities and a range of high-tech and low-fi communication, visualisation and prototyping tools.

WHO'S DOING IT?

This is the commonest typology with a wide range of large organisations setting up Innovation Labs, from retailers such as IKEA and John Lewis Partnership to VISA, Mercer, Microsoft, and a host of other names. Design and implementation vary from lab to lab, depending on culture, strategy, and direction. In Copenhagen for example, IKEA has set up Space 10,

a 'future-living lab' which aims to find innovation solutions for a more sustainable way of living in collaboration with a network of forward-thinking partners. On the Microsoft campus at Redmond, Washington, a set of fluid, high-collaboration, open spaces have been created for ad hoc, organic innovation; people can join the conversation using mobile devices on a collaborative platform as the lab combines a digital network layer with physical space.

At VISA's Innovation Centre in Paddington, London, an immersive exhibition space demonstrates immersive fintech technologies from around the world and the entire facility is designed to enable co-creation with partners and clients right through the process of developing new solutions and products. Lendlease, meanwhile, has opened an Innovation Lab in its Barangaroo headquarters in Sydney as a signal that the company is serious about innovation in real estate development. The facility includes space for ideation activities and leadership meetings as well as a Toolshed for experimenting.



BILL GAJDA

SVP Strategic Partnerships
and Innovation, VISA

Co-creation is the way we are going to engage with our partners and clients... the fundamental difference that co-creation will bring to VISA is how early we engage our partners and clients in developing new solutions and products.



TOM ATHRON

Former Development Director,
John Lewis Partnership

We moved our best talent from Waitrose and John Lewis into the coffee area of the building and people started behaving like it was a start-up which is rare in an organisation like ours... It's about identifying those areas in a large organisation where innovation is happening already and trying to tap into them.



THE USUAL
CORPORATE
SPACE RULES
NO LONGER
APPLY



TIM YENDELL
Head of Workplace,
Royal Bank of Scotland

The secret sauce we developed together with RocketSpace was around a sense of community and a variety of spaces. I think it bodes very well for the future in terms of really being at the forefront of understanding disruptive technologies.



LOOK OUT FOR
ACTIVE LOBBIES
TOWN SQUARES
PRESENTATION ARENAS
COWORKING ZONES
INCUBATORS AND
BOOT CAMPS
INTERNAL CAFÉS
AND RESTAURANTS
EVENT SPACE
MEMBER LOUNGES
INTENSE FOCUS SPACES

STATUS
PRIVILEGED

WHAT IS IT?
The Shared Hub provides a corporate facility for collaborative innovation that is more permeable and less contained than the Innovation Lab model. It is all about partnership and inviting the outside in. Banks, for example, have gone into joint ventures with coworking providers to get their employees rubbing shoulders with fintech entrepreneurs, start-ups and disruptors. The usual corporate space rules no longer apply. There is a growing accent on high-design concepts and hospitality with curation and events. Incubators, accelerators, and boot camps feature in the Shared Hub. Space is bookable via apps. This model balances corporate ownership and familiarity with the introduction of strong external influences.

WHO'S DOING IT?
Financial service companies have been early adopters. In London, Royal Bank of Scotland (RBS) has gone into partnership with San Francisco-based RocketSpace, the tech coworking company, to open a RocketSpace community in Regents House, Angel. In New York, Barclays opened Rise to foster innovation inside the organisation. Rise houses Barclays Accelerator—a 13-week programme designed for fintech start-ups in partnership with Techstars to collaboratively innovate with Barclays.

Other major players exploring this model include LEGO, which responded to losses in the late 1990s and early 2000s by dramatically revisiting its innovation policy, turning to open innovation and crowdsourcing new ideas among its fanbase. The company has recruited 40 ‘ambassadors’ in 20 countries to act as a communication line between the company and its customers, bringing them into the company for collaborative innovation activities.

Siemens has opened an AI Lab in Munich to serve as a coworking space for evaluating the feasibility of new ideas. The aim is to bring in external idea generators who fit specific Siemens projects and build a lively AI community for exchange and mutual benefit. The Technical University of Munich is part of Siemens’ ‘Applied AI’ initiative.

Unilever runs an open innovation programme which invites suppliers, start-ups, academics, designers, and individual inventors to submit proposals, and then brings the external partners of successful bids into the organisation to innovate. Lendlease, meanwhile, has partnered with London Continental Railways (LCR) on the creation of a coworking space at IQL Stratford. This coworking space is intended to be an incubator space for ideas by freelancers and small businesses. The coworking is all about partnership and collaboration with the local community and big businesses to foster innovation.

A CONVIVIAL,
VIBRANT AND
PRACTICAL
NETWORK OF
MEETING SPACES,
SOCIAL SPACES,
AND MAKER
SPACES TO
SUPPORT
COLLABORATIVE
INNOVATION

WHAT IS IT?

The Knowledge Agora is the most permeable model of all, stretching the collaborative innovation network from the private office into public space at district scale. It takes its name from *agora*, the Ancient Greek term for an open marketplace in the city, but is reinvented as an innovation district for the 21st century knowledge economy. Within this hinterland, the organisational workplace is part of a wide array of innovation-ready services and settings. Workspace nestles next to high-end retail and hospitality provision with excellent transport links. Educational, cultural and residential elements are part of the mix.

Corporates are visible within university research projects and centres and can access providers of outsourced innovation services. There is a convivial, vibrant, and practical network of meeting spaces, social spaces, and maker spaces to support collaborative innovation. A study from Brickfields Consulting found that people under the age of 35 see their workplace as more than just a desk in the office. Instead their workspace extends beyond the office walls into the neighbourhood and wider city.

The Knowledge Agora breaks up business districts into permeable collaboration areas where people want to spend time. This typology is emerging as city districts shift from strict zoning of different uses (business, residential, retail and so on) towards more fluid, mixed-use neighbourhoods. This shift is partly driven by digital technologies which blur the lines between physical and virtual space, but it is also driven by a change in demand.

WHO'S DOING IT?

The mixed-use characteristics of the Knowledge Agora are evident in a new wave of innovation districts currently being developed around the world. These range from Port Covington in South Baltimore, USA, which is creating a new campus for the Under Armour sportswear company alongside new shops, homes and waterfront tourist facilities, to Hudson Yards in New York (home to Boston Consulting Group, BlackRock and others).

The changing landscape of city districts can be clearly seen in the development of London's Queen Elizabeth Olympic Park where a number of key hubs exist, creating an innovation ecosystem. Here East, located in the heart of the park, is home to BT Sport, Loughborough University, and innovation start-up facilitator Plexal amongst many other new and established names in the innovation arena. The neighbourhood will also soon be home to East Bank – which will see the V&A, BBC Music, Sadler's Wells, University College London (UCL) and UAL's London College of Fashion open on Stratford Waterfront. At International Quarter London (IQL), organisations including Transport for London (TFL), Financial Conduct Authority (FCA), Unicef UK, Cancer Research UK, and the British Council add to the district, which combined is set to become a hotbed for serendipitous interactions, collaboration and innovation between all players in the ecosystem.

To support innovation in the ecosystem at IQL, Lendlease in partnership with LCR is creating a series of outdoor office elements within the public realm. These are standalone structures which each contain elements of an office such as deskling, or meeting space. Each element is slightly different but all are an expression of the same theme of bringing collaboration out of the office and into shared spaces. This is intended to encourage collaboration between the occupiers at IQL and external visitors to the site.

Among companies innovating with academics worldwide, Citi has taken space on the Cornell University campus in Forest City, New York. The facility

is called The Bridge and aims to engage with Cornell students, faculty, researchers, start-ups, and other companies. Software provider Red Hat has invested in a partnership with Boston University following the success of its 'open innovation lab' in the city, with the aim to advance research on open source and emerging technologies. A Hyundai Kia Lab has been set up in the Intelligent Mobility Design Centre at the Royal College of Art in London, based within the RCA's Battersea creative district.

It is in the urban agora that organisations can access external innovation support, from PwC's Hive Labs (Google is a partner) to Accenture's Fjord design studios, which aim to harness innovation to make user experiences better, or EY Wavespace, a global network of growth and innovation centres to help clients navigate the transformations of the digital age. At the most permeable level, one designated economic zone in the Chinese city of Shenzhen manufactures and distributes a large proportion of the world's mobile phones and electronics, using the principles of collaborative innovation across a large urban scale. No single big player dominates the market. Instead it is made up of small, specialised shops which continually innovate to evolve designs.

- LOOK OUT FOR**
- UNIVERSITY RESEARCH CENTRES
 - OUTSOURCED INNOVATION SERVICES
 - TRANSPORT HUBS
 - MAKER SPACES
 - CURATED PUBLIC PLAZAS
 - MEETING SPACE
 - WELLBEING SERVICES
 - RETAIL AND HOSPITALITY
 - RESIDENTIAL
 - OUTDOOR OFFICES
 - CULTURE AND ARTS

STATUS
PUBLIC

“ **ANTON ANDREWS**
Director of Envisioning,
Microsoft

While traditional companies in the West focus on efficiency at scale, the Shenzhen ecosystem thrives on biodiversity, speed, and adaptability at scale. This is innovation at scale through networks. The players in Shenzhen cooperate and share because sharing is survival.

”

MAKING COLLABORATION HAPPEN

When organisations relocate their workplace the opportunity to raise the bar in terms of innovation is now a corporate priority. Company leaders are therefore asking a number of questions. What new connections can be made? Are there academic researchers, subject experts or smart start-ups in the neighbourhood? Will our employees have access to new ideas? What about digital connectivity? Will the space and location enable us to build collaborative networks?

Looking at the challenge through the lens of the three models described in this report allows organisations to devise an innovation strategy appropriate for their needs.

STAGE 1

The first typology, the contained Innovation Lab, is a core building block on *terra firma*: it guarantees security of information and full ownership of IP, it targets improving internal innovation, and the Lab can often be set up by reconfiguring existing resources. But there is a risk that the flow of new ideas will be limited. For organisations contemplating setting up a Lab, it is important to identify which groups or functions should make use of its facilities, and on what basis. Would it help to hold leadership meetings in the Lab to encourage new thinking? Is there the right mix of digital and analogue tools to support ideation and experimentation? Open, flexible floorplates that create the settings for innovation activities are important too. Critically, the Innovation Lab should

look different and operate in a different way from standard workspaces, with the right tools, tech and designed settings to inspire people to break out of their day-to-day thinking.

The key benefits of this contained innovation model are that single organisations can test new ideas in fast sprints, identify key agents within the company and build an internal community around innovation. The Innovation Lab is best for companies seeking to turn around a culture, signal the importance of innovation within the organisation, and conduct quick, intense bursts of innovation, aspiring to the motto 'fail fast to succeed sooner'.

STAGE 2

The second model, the more permeable Shared Hub, brings start-ups and specialists, entrepreneurs and disruptors, clients and customers into a new space that can be co-owned or co-managed with an external partner. This requires considerable investment and planning and is less ad hoc. It is also inherently less stable and secure, although that aspect can be managed. Some IP will be shared rather than owned. However, the flow of ideas will be faster and stronger, and opportunities to innovate should be enhanced.

For occupiers contemplating this move, it is important to identify those agile external partners to be invited into the Hub and create an environment in which they can flourish. Special attention should be given to curation, hospitality and events, including

immersive exhibitions, so that a real sense of community can be created. The Shared Hub should be sited in buildings or on a campus that is smart and adaptive, with high-tech collaboration tools, maker spaces, Dragon's Den-style pitch spaces and other accelerants for innovation.

This shared model of innovation allows companies to bring external catalysts and concepts into the organisation and reality-check their ideas before committing to them, while keeping control of the outputs. It promotes a more spontaneous type of innovation where serendipitous encounters occur between people who would not likely meet otherwise and share unique perspectives which blossom into innovative solutions.

STAGE 3

Full participation in the wider district-scale Knowledge Agora is the most permeable and the least secure model for the corporate organisation. There will be many IP-sharing arrangements. But the potential for collaborative innovation is greatest, and the options for engagement are diverse and many. Mixed-use innovation districts use the city itself as a landscape for engagement—with universities, cultural institutions, retail stores, and wellness services all part of a dynamic mix. New office occupiers should look at the academic expertise, entrepreneurial clusters, and availability of public and meeting space in the vicinity. Combined with an Innovation Lab or a Shared Hub (the models are not mutually exclusive), participation in the innovation district can bring many benefits.

For companies engaging with this model there is access to a breadth of diverse and unexpected talent across a range of expertise—including access to new academic research, with such foresight enabling better future-mapping of innovation. Indeed, evidence suggests that the complex networks of the Knowledge Agora work particularly well with more speculative, longer-range innovation activities—especially around emerging technologies. There is also an impact on the talent agenda as premium new recruits looking to start their career in vibrant workplaces will increasingly look to the mix and scale of innovation districts.

Despite the rise of global digital networks, physical proximity between collaborators is still a key factor in successful collaborative innovation. This means that from the planning of the office interior to the placemaking of the district, the needs and desires of an entire collaborative ecosystem—in which universities, start-ups, large corporates, management consultants and customers all play their part—must be reflected.

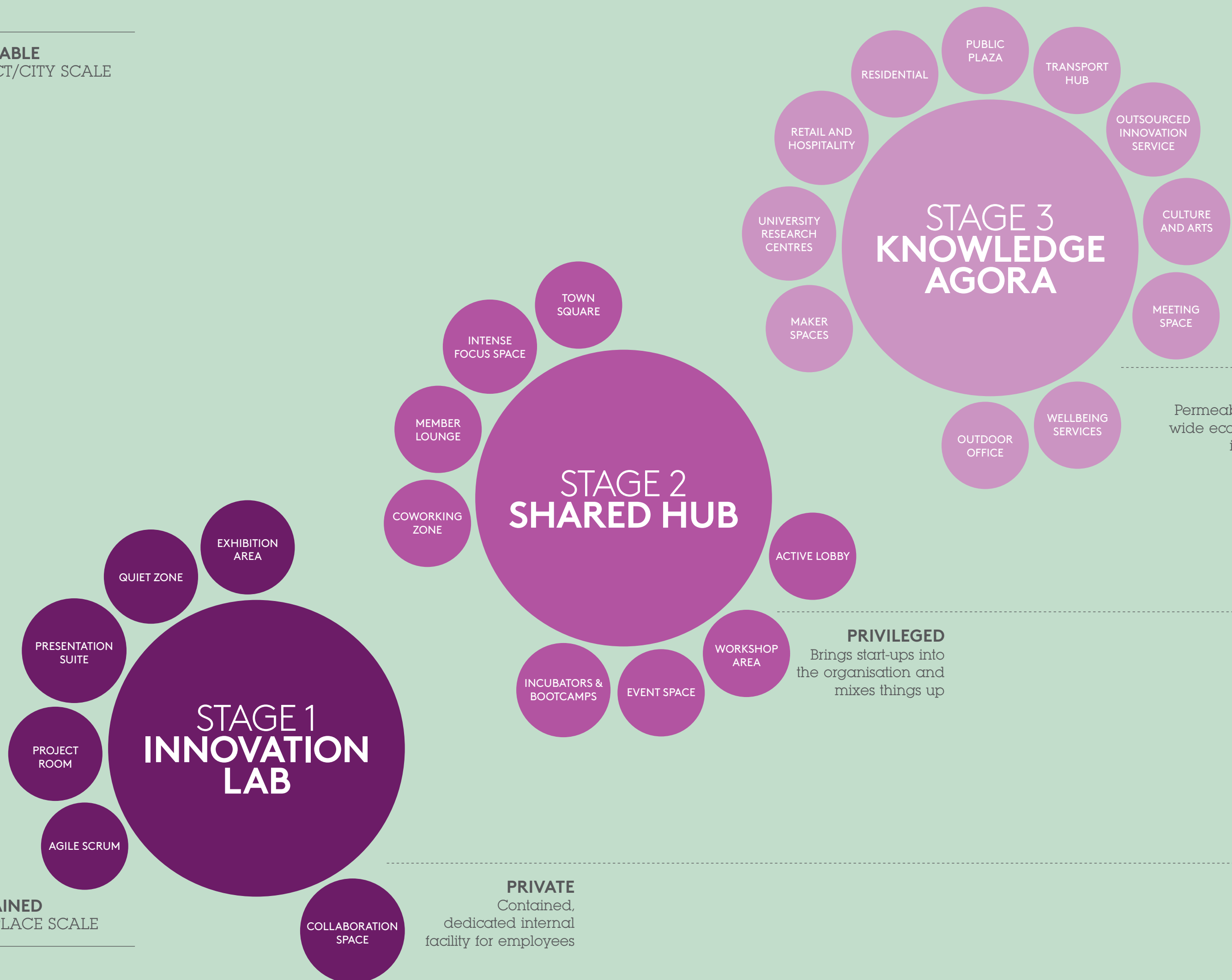
It is therefore important that organisations look beyond the default central business districts of a city to see if there is a new landscape that is future-proofed in terms of collaborative innovation.

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PERMEABLE
DISTRICT/CITY SCALE



CONTAINED
WORKPLACE SCALE



A WORKPLACE WITHOUT BOUNDARIES

This expanded definition of workplace is what IQL is designed around. It is a physical and digital extension of your workplace down to the ground floor and beyond, giving you a workplace that's larger than the square footage you rent.

Places where you can bump and collide with your neighbours, that are made better by a cohesive community spirit, which encourages people to connect—facilitated by a full-time community manager and the Life At IQL online forum.



WHERE BIG IDEAS CONNECT

In London, economic power, creative influence and population growth are shifting east. International Quarter London is one place helping to shape a new innovation district in Stratford.

IQL has combined four key principles for a successful innovation district:

PHYSICAL CONNECTIVITY

Following the 2012 London Olympic and Paralympic Games, Stratford has more train connections than Waterloo at peak travel times. IQL is located less than 10 minutes from major London stations such as Liverpool Street and King’s Cross by train. Moreover, IQL’s location at the heart of the Queen Elizabeth Olympic Park in Stratford allows easy access to a diversity of businesses and institutions at neighbouring Here East and Plexal and at East Bank – the new east London site for the V&A, Sadler’s Wells, BBC Music, UCL and UAL’s London College of Fashion.

DIGITAL CONNECTIVITY

IQL enables on-demand connectivity by providing high-speed, free wi-fi within the district. This allows people to work beyond the boundaries of their office and encourages them to use all aspects of the area.

DIVERSE AND DENSE

In order to engage in successful and meaningful collaboration, an innovation district needs to include different agents within the ecosystem. IQL will include a mix of commercial, residential and retail spaces alongside leading educational, arts and cultural institutions, and innovative start-up companies.

CURATED CULTURE OF OPENNESS

A culture of openness is at the heart of collaborative innovation districts. IQL has employed a community manager who makes connections across businesses, as well as promoting activities from running clubs to guest workshops.

IQL has been curated as a hub for the birth of new ideas and unlikely, interesting partnerships that lead to innovations. As well as substantial physical space created specifically for collaboration, IQL have adopted an online ‘Life At IQL’ forum which acts as a digital incubator to forge new connections and generate new ideas available to everyone involved in the district.

Among the new occupiers at IQL is Unicef UK, whose Chief Operating Officer Mark Devlin explained: “We were attracted by the genuine community nature of Stratford and based our decision on affordability, location and design potential. The outstanding workplace at 1 Westfield Avenue will enable us to adopt more agile and collaborative working practices. In turn, this will enable our teams to operate more effectively and most importantly achieve even better outcomes for the world’s children.”

Another leading occupier is the British Council. According to Chief Executive Sir Ciaran Devane: “This location embodies the British Council’s vision for international cultural relations. As well as providing a fantastic new workspace, our new global headquarters—in the heart of an inspiring new centre of culture, education and creativity—will allow us to demonstrate the diversity and value of our work across the globe to a wide and varied audience.”

- 4 MILLION SQ FT OF GRADE A OFFICE SPACE
- SPACE FOR UP TO 25,000 PEOPLE ON COMPLETION
- 200+ TRAINS AN HOUR ON 9 RAIL LINES
- CITY AIRPORT IN 14 MINS ST PANCRAS IN 7 MINS
- 22 ACRE SITE
- 333 NEW HOMES
- 58,000 SQ FT RETAIL SPACE
- 100% RENEWABLE ELECTRICITY SUPPLY
- 100% FRESH AIR IN ALL WORKPLACES
- £2.4 BILLION GROSS DEVELOPMENT VALUE

STRATFORD CLUSTERS

IDEAS YOU CAN CLUSTER AROUND

The first rule of innovation districts is to cluster around ideas instead of industries—people across your supply chain and across sectors working together on the increasingly complex challenges business is looking to solve. Here’s what Stratford offers.





International Quarter London is a vibrant new neighbourhood next to Queen Elizabeth Olympic Park and Stratford's superb transport links. Linking future-focused workplaces, welcoming new homes, and a diverse range of shops, restaurants, and culture, IQL connects people, places, and businesses in new and innovative ways, creating collisions and layers of experience that inspire us to think differently.

Not just for work, but collaboration. Not just to live—but to inspire. IQL is a place of transformational wellbeing that connects the professional and the personal to create something truly unique.

www.internationalquarter.london



Worktech Academy is a global knowledge platform for the future of work and workplace. It brings the best insights, ideas and evidence from the Worktech conference series, now in 20 cities around the world, to a community of professionals in the field.

The Academy's content is curated in six streams: people, place, technology culture, design and innovation. Lendlease is a Global Partner of Worktech Academy.

www.worktechacademy.com

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STRATEGIC DESIGN

