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### A Strategic Methodology for the Future of Workplaces

Beyond Activity-Based Working – Toward an Evolving Workplace Over the past decade, the very definition of "the office" has been upended. In the wake of a massive remote work experiment, organizations worldwide are asking if the traditional office still makes sense. Early models like Activity-Based Working (ABW) were a step in the right direction—they introduced flexibility by allowing employees to choose different spaces for different tasks. ABW promised more interaction and efficient use of space, but often fell short in practice. Many ABW implementations remained static reconfigurations of offices, revealing drawbacks around privacy and concentration.

In fact, a systematic review noted that while ABW improves collaboration and space usage, it can negatively impact focused work if not carefully managed. The key lesson learned: simply redesigning the office once is not enough. Work itself continues to change, demanding that our workplace strategies continuously evolve as well. This is exactly where Liquid Real Estate<sup>TM</sup> (LRE) emerges as a strategic methodology—a comprehensive approach that treats corporate real estate not as a one-off project or fixed asset, but as a living, adaptive ecosystem continuously responsive to change. Unlike outdated one-size-fits-all models, LRE recognizes that the only constant in today's workplaces is change, and embracing this dynamism is essential for sustained success.

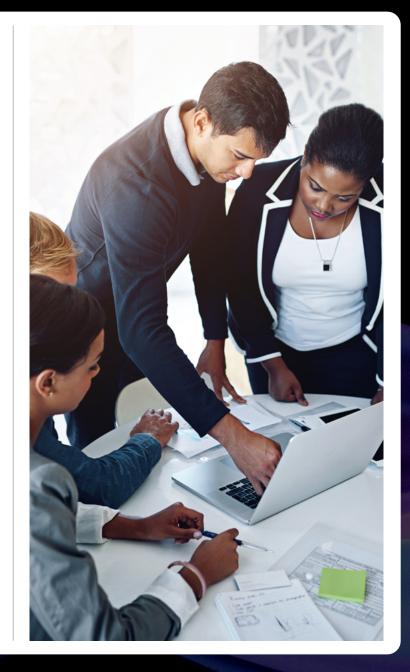
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A Dynamic and Adaptive Ecosystem, Not a Static Asset Liquid Real Estate™ is fundamentally about **perpetual evolution**. Rather than implementing a static, "set-it-and-forget-it" office layout, LRE advocates for workplaces designed for continuous adaptation—guided by real-time data, responsive to employee needs, and aligned closely to strategic business objectives.

Why is continuous adaptation necessary? The realities of hybrid work demand it. By 2024, an overwhelming majority of organizations (roughly 87–92%) are expected to have adopted hybrid work programs. Employees increasingly split their time between home and office, significantly reducing physical attendance. Global office utilization averaged approximately ~31% in 2023, about half the pre-pandemic rate of 64%. In other words, large portions of traditional offices sit empty on a typical day.

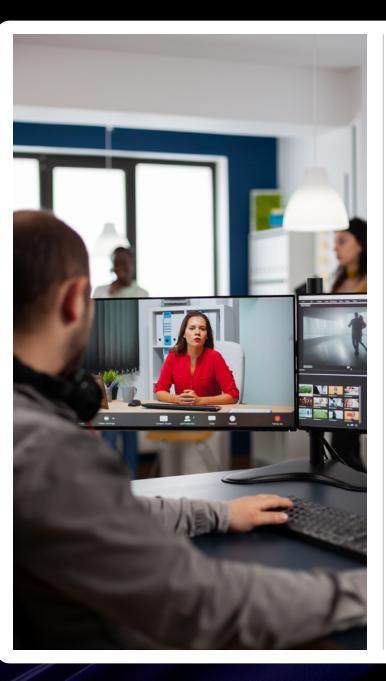
Companies have reacted by rightsizing and dynamically repurposing their footprints. Nearly two-thirds have reduced their office portfolios since 2020, with 63% planning further reductions by 2026. Importantly, organizations are not merely shrinking their spaces—they are actively reconfiguring them. Collaborative "we" spaces have increased by 44% globally since 2021, while the square footage per person has dropped over 20%. The traditional 80:20 ratio of individual desks to meeting areas is flipping to 20:80, emphasizing connection, learning, and teamwork over isolated individual workstations.

This fundamental shift lies at the heart of Liquid Real Estate™: offices evolve into **fluid hubs of interaction, learning, and socialization**, while focused solo work can flexibly happen elsewhere—such as at home or in designated quiet zones.



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A Dynamic and Adaptive Ecosystem, Not a Static Asset



#### **Real-Time Adaptation through Technology**

Such transformation is not a one-time event; it is an ongoing process. A liquid workplace continually adjusts based on real usage patterns and employee feedback. Forward-looking organizations are increasingly leveraging **technology and analytics** to make this dynamic evolution possible.

For example, companies plan to use **sensor data and network analytics** ("micro-level utilization data") to dynamically manage space in real time. Rather than relying on infrequent occupancy studies, organizations are instrumenting buildings to monitor how every space is used—allowing them to flex layouts, services, and allocations according to actual demand.

As JLL's 2024 Occupancy Planning Report notes, companies are moving towards "technology-led utilization and occupancy planning strategies, enabling more dynamic workplaces."

There is no longer a fixed ideal floorplan. Instead, workplaces operate in a continuous cycle of **measurement, learning, and adaptation:** 

- If a meeting area consistently overflows while individual desks remain empty, space can be swiftly reallocated.
- If hybrid work patterns change from week to week, the workplace configuration can pivot accordingly.

As Neil Murray, CEO of Work Dynamics at JLL, explains:

"Utilization data is key to unlocking value... companies are increasingly using technology to dynamically and intelligently manage their spaces."

This **data-driven agility** is a defining feature of Liquid Real Estate™. Corporate real estate becomes a **flexible**, **continuously optimized service**, dynamically attuned to current work patterns and agile enough to pivot when patterns inevitably change.

# Liquid Real Estate<sup>TM</sup> Manifesto

Multipurpose Utilization: Expanding the Purpose of Real Estate Crucially, Liquid Real Estate<sup>™</sup> also **expands the purpose** of corporate real estate. If offices are underutilized, why not allow them to morph into something more?

Following the example of modern cities blending different uses—a building that hosts workspaces by day and social hubs by night—LRE encourages **multi-purpose experimentation.** Offices are no longer strictly workplaces; they can serve a wide variety of activities and communities.

BICG describes this approach as "blending purposes". A corporate office could incorporate:

- A café or bar that draws people in.
- A learning center or innovation lab.
- Wellness and fitness areas.
- Shared spaces with **co-working hubs** or **cultural events.**

In Liquid Real Estate<sup>™</sup>, the workplace becomes a vibrant, human-centered platform for experiences, not a sterile, one-dimensional container.

This strategic flexibility provides critical advantages:

- It keeps office spaces **active and valuable** even as specific work needs ebb and flow.
- It strengthens the workplace's role as a connector—a place where employees want to be, enriched by diverse activities that inspire and engage them.
- It supports **economic and environmental sustainability** by maximizing the usage and adaptability of real estate assets.

Liquid Real Estate™ thus offers an antidote to the risk of static offices turning into "ghost towns" in the hybrid era, ensuring workplaces remain **dynamic, relevant, and vibrant**, aligned with evolving organizational and societal needs.



Human-Centric Drivers: The FLOW Framework At its core, Liquid Real Estate<sup>™</sup> is guided by the **human-centric FLOW model—Flexibility, Learning, Openness, and Well-being—** a framework designed to ensure that future-ready workplaces continuously support evolving human needs and behaviors.

These four interconnected drivers guide the design and continuous evolution of Liquid Real Estate™ as a truly **adaptive ecosystem:** 

#### **Flexibility**

Today's employees expect unprecedented **flexibility** in where, when, and how they work. The push toward hybrid work arose largely from workforce demand: people proved they could perform remotely, and now "are reasonably demanding greater flexibility to work where and when they want," as MIT researchers note.

Organizations have recognized that offering flexibility is not optional but imperative for attracting and retaining top talent. Liquid Real Estate $^{\text{TM}}$  embraces flexibility across multiple dimensions:

- Physical flexibility: Workspaces can be easily reconfigured for changing activities—a project team might need a large collaborative area one week and a quiet zone the next.
- **Digital flexibility:** Seamless integration of remote and in-person work enables fluid collaboration. (BICG's own hybrid scheduling app is one example of supporting this synergy.)
- **Cultural flexibility:** Organizations must trust employees to choose the work styles that best suit their tasks, rather than enforcing rigid standards.

When flexibility is embedded into workplace design and policy, people feel empowered and respected—leading to greater engagement and loyalty.

Studies show that companies with successful hybrid arrangements often maintain or even improve productivity while boosting employee satisfaction.

In short, **flexibility fuels performance** by aligning work environments with personal needs and removing unnecessary constraints.

The Liquid Real Estate™ mindset is simple: Make the workspace flexible so the workforce can be flexible too.

#### Learning

Continuous **learning** and innovation are the lifeblood of a thriving organization. However, informal learning and spontaneous knowledge-sharing can suffer when people are isolated or restricted by silos.

One major challenge of hybrid work is preserving the **rich knowledge exchange and creative sparks** that occur through in-person interactions.

As highlighted in MIT Sloan Management Review:

"Innovation is a contact sport"—non-routine, breakthrough ideas often emerge from "close, serendipitous, and open-ended interactions."

Liquid Real Estate™ promotes continuous learning by:

- **Designing spaces** that encourage movement, collisions between teams, and multidisciplinary mingling—engineering serendipity through plazas, cafés, and informal lounges.
- **Leveraging technology** to capture and spread knowledge—such as smart whiteboards that save brainstorming sessions to the cloud.
- **Applying analytics** to identify which teams could benefit from co-location or cross-training.

The goal is to create a **learning ecosystem** where mentoring, brainstorming, and experimentation happen organically.

Importantly, **Openness** (the next FLOW driver) works hand-in-hand

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Human-Centric Drivers: The FLOW Framework with Learning—transparent, open cultures naturally enable knowledge-sharing across boundaries.

In practice, workplaces must offer a **mix of environments:** library-like quiet zones, maker spaces, project rooms, and social hubs—all available flexibly.

By treating the office as a **learning scaffold**, Liquid Real Estate<sup>™</sup> enables organizations to remain agile, innovative, and competitive in a rapidly changing world.

#### Openness

In the Liquid Real Estate™ model, **openness** applies to both the **physical environment and organizational culture.** 

- **Physical openness:** Fewer walls and more shared, multipurpose areas encourage fluid movement of people and ideas.
- **Cultural openness:** Organizations must be willing to experiment, listen to employees, and embrace diverse perspectives.

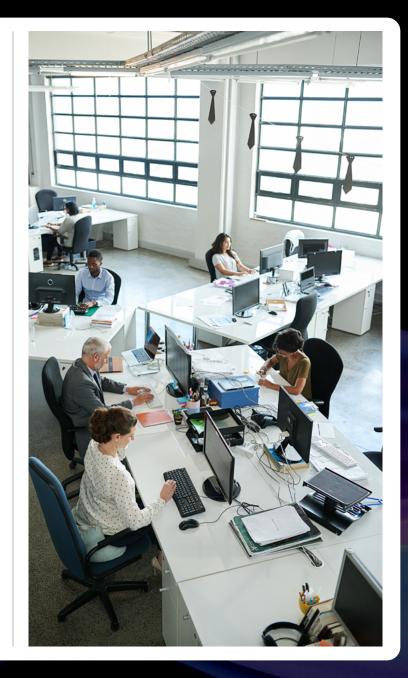
An open culture trusts people with information and autonomy—both crucial for the success of hybrid and dynamic workplaces.

When leadership empowers teams—for example, by allowing them to choose their schedules or configure their project spaces—it builds mutual trust.

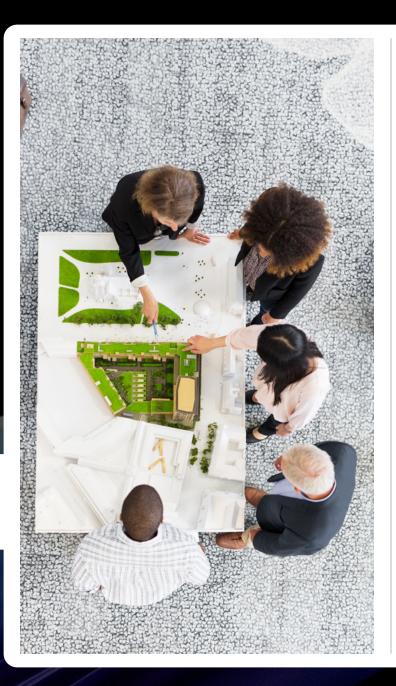
This trust directly feeds innovation and performance.

BICG's experience shows that creating "safe environments"—where employees feel free to speak up, share ideas, and even fail without fear—is fundamental for growth. Openness also requires receptiveness to change:

- If data or employee feedback reveals a new need, policies and spaces must adapt accordingly.
- A Liquid Real Estate™ organization is, by definition, a changeready and resilient one.



Human-Centric Drivers: The FLOW Framework



On a human level, openness fosters belonging, engagement, and innovation. The best implementations of LRE gather **continuous feedback** (through surveys, apps, town halls) and make **visible improvements**, creating a virtuous cycle of trust and employee empowerment.

Openness can even extend beyond the company's walls—by sharing spaces with partners, co-developing workplace solutions with employees, or opening hubs to the community.

This blurring of boundaries builds a **vibrant, resilient ecosystem,** enhancing innovation and cultural richness.

#### Well-being

No driver has gained more urgency in recent years than **employee** well-being.

The pandemic placed a spotlight on mental health, physical wellness, and work-life balance. Today, **well-being is recognized as mission-critical**, not a "nice-to-have." As Deloitte emphasizes: **"The future of work will be built on human sustainability"**—promoting the long-term well-being of workers as a core business priority.

The World Health Organization (WHO) also classifies employment as a **key social determinant of health**, reinforcing the profound influence workplaces have on physical, mental, and social well-being. Liquid Real Estate™ incorporates well-being deeply into workplace design:

- **Physical environment:** Ergonomic furniture, good air quality, abundant natural light, quiet zones.
- **Design elements:** Biophilic design, calming environments, rejuvenation spaces (meditation rooms, mother's rooms).
- **Integrated wellness:** On-site fitness facilities, healthy food options, access to mental health resources and support services.

Flexibility is also a major contributor to well-being.

Hybrid work policies strongly correlate with **reduced stress and improved job satisfaction.** 

By embedding flexibility and wellness into its design, Liquid Real Estate™ actively enhances employees' physical and emotional health.

Moreover, workplaces that are socially connected, enjoyable, and vibrant combat isolation and disengagement.

Research shows that when employees enjoy their work environment, they are more engaged, more productive, more loyal, and more connected to the organization's culture.

In other words, **well-being directly drives organizational out-comes**—boosting retention, performance, and cultural strength.

As one workplace expert notes:

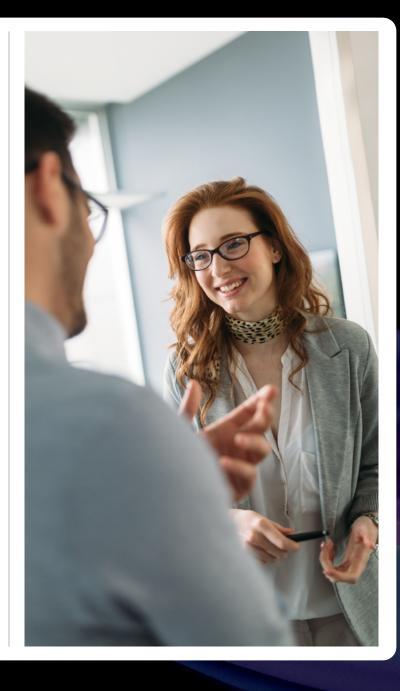
"Today's office needs to earn the commute"—by offering an experience employees genuinely want to be part of.

Prioritizing well-being is how workplaces earn that commute—and how organizations secure a healthy, happy, high-performing workforce.

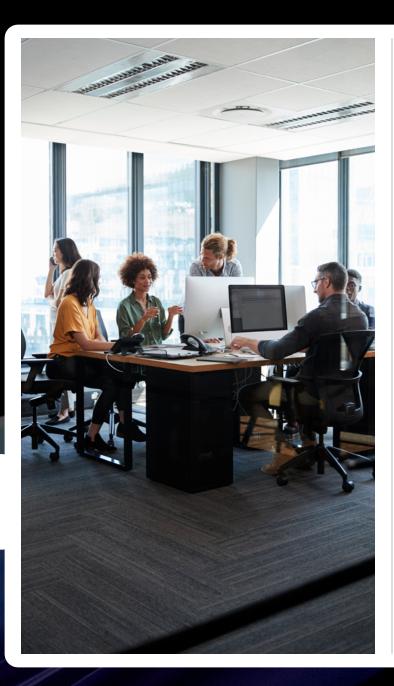
BICG's Pioneering Role in Shaping Liquid Real Estate™

The Liquid Real Estate™ strategic methodology is not born out of theory alone—it is informed by decades of **on-the-ground experience.** BICG (Business Innovation Consulting Group), the creator of the Liquid Real Estate™ concept, has been at the forefront of workplace transformation for over **25 years**, successfully completing more than **500 projects** across Europe and Latin America. Founded in 1999 as a spin-off from Germany's Fraunhofer Institute, BICG's original mission was to **evolve the world of work** by improving productivity and the employee experience.





Human-Centric Drivers: The FLOW Framework



Long before hybrid work became mainstream, BICG was already helping organizations rethink how people collaborate and how spaces are used.

From pioneering early **activity-based workplaces** in Europe to guiding **Fortune 500 companies** through digital collaboration strategies, BICG steadily refined the **holistic approach** that underpins Liquid Real Estate™ today—integrating **culture**, **processes**, **technology**, **and space** into a cohesive, adaptive system.

In 2014, BICG expanded its vision to Latin America, opening its Mexico City hub to drive innovation in workplace strategy across the region. In both Europe and LATAM, BICG collaborated with forward-thinking clients in industries ranging from tech and finance to manufacturing, **implementing the foundations of Liquid Real Estate™** even before the term existed.

For example, years ago BICG piloted **flexible seating arrange-ments and remote work policies**—early precursors to today's hybrid models—gaining critical insights into what worked and where challenges lay.

A key learning from this experience was that **continuous change management and employee engagement** are critical for any workplace transformation.

Thus, BICG emphasized the importance of "constant dialogue with employees" to fine-tune workplaces dynamically over time, ensuring that new concepts were not just implemented but embedded into organizational cultures.

This practical focus on responsiveness became a core tenet of Liquid Real Estate™: A successful workplace must listen, adapt, and evolve continuously.

BICG's approach delivered sustained success across diverse projects—from redesigning a Spanish retail bank's headquarters into an agile innovation campus, to transforming a Latin American in-

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surer's corporate culture with new collaborative environments, to guiding a global energy firm's hybrid work transition after the pandemic.

In every case, the principles of **Flexibility, Learning, Openness, and Well-being** (FLOW) were activated to serve the client's strategic goals—even before they were formally codified into the Liquid Real Estate™ framework.

Now, BICG has distilled these decades of insights into a codified, comprehensive methodology: Liquid Real Estate™ represents a new, strategic model for the workplace—one BICG not only advocates but has lived and proven.

As BICG's CEO Iñaki Lozano Ehlers puts it:

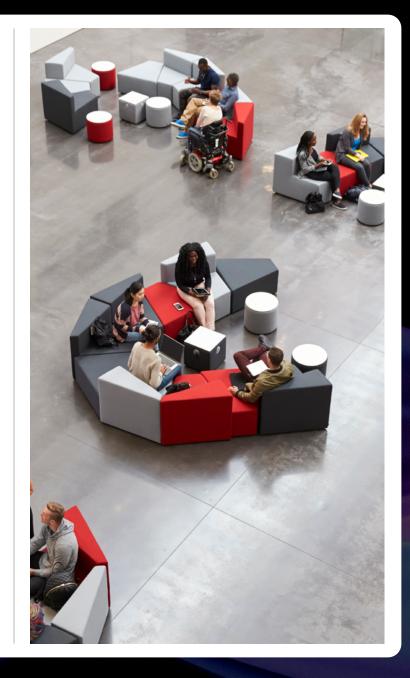
"Work now requires workplaces that are as adaptive and dynamic as the businesses themselves."

Achieving this requires treating real estate not as a static cost but as a strategic, fluid resource—one capable of evolving continuously to support innovation, productivity, and human thriving.

Liquid Real Estate™ builds on the legacy of early flexible models like ABW but moves beyond them toward a future where **change** is **the norm.** 

It is backed by **global research and real-world results**—providing a **credible, pragmatic foundation** for organizations seeking to thrive in the future of work.

Human-Centric Drivers: The FLOW Framework



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Liquid Real Estate™ reframes corporate real estate from a **static cost center** into a dynamic **strategic asset.** In a world where hybrid work, rapid change, and evolving employee expectations are the new normal, agility in the physical workplace is just as crucial as agility in business strategy. By establishing Liquid Real Estate™ as a strategic methodology for workplace transformation, BICG challenges outdated paradigms—moving beyond the fixed office or the one-time "office of the future" overhaul.

The new logic is about **continuous evolution**:

- Leveraging global data and local insights.
- Embracing the FLOW human drivers (Flexibility, Learning, Openness, Well-being).
- Crafting workplaces that dynamically adapt in step with organizational needs and human behaviors.

The payoff is enormous:

- Maximized ROI through better space utilization.
- Enhanced employee experience and well-being—boosting retention, satisfaction, and performance.
- **Stronger innovation** cultures enabled by open, flexible, human-centered environments.

Liquid Real Estate™ turns the workplace into a **competitive advantage**—an asset that **improves over time**, rather than depreciating.

This manifesto is a **call to action** for leaders to rethink real estate strategy with fresh eyes. Hybrid work is here to stay, and the organizations that thrive will be those that **intentionally design a dynamic balance** between physical and digital, between stability and change.

This means letting go of outdated metrics and adopting new measures of success.

Instead of focusing solely on static indicators like square footage per employee, tomorrow's leaders prioritize:

- **Employee satisfaction** (already risen by 75% in progressive workplaces).
- Team productivity.
- Space utilization rates.

In fact, employee experience is increasingly eclipsing traditional metrics like density. Liquid Real Estate™ provides the blueprint for this shift. It justifies real estate as a continuous investment—one that will yield lasting returns in innovation, culture, and talent when managed with a long-term, adaptable mindset.

#### In closing:

Embracing Liquid Real Estate<sup>™</sup> is a **journey**, not a **destination**. It positions corporate real estate as a **strategic lever** for organizational transformation, on par with digital strategy or talent strategy. By continually aligning **people**, **space**, **and purpose**, LRE ensures that the workplace becomes a **catalyst for growth** rather than a **drag on it.**\n\nThe office of the future is not a fixed place—it is whatever we need it to be, whenever we need it, for whoever needs it. That is the promise of Liquid Real Estate<sup>™</sup>: A workplace that is as alive and adaptable as the people it serves—and a strategic model ready to propel organizations into the future of work with confidence.

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Conclusion: A New Strategic Paradigm for the Future of Work



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**BICG** | Business Innovation Consulting Group

About bicg

We help organizations rethink the way they do things to improve their competitiveness and their professionals' lives.

We do things differently, using creative methodologies and in a diverse and multidisciplinary team.

We anticipate the future and offer expert knowledge and practical solutions.

We enjoy freedom of action to carry out our initiatives in a responsible and sustainable way.

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