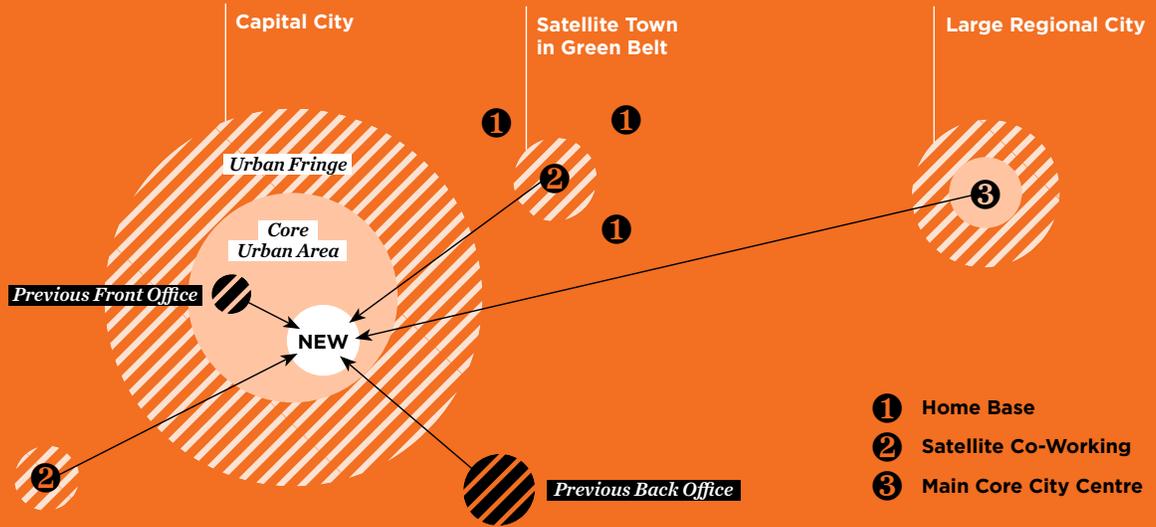


Front and Back Offices:

A SEPARATION
OF THE PAST?



As technology and demographic shifts emerge, the literal and figurative lines between front and back offices are becoming increasingly blurred, which is noticeably affecting the location of offices, their design and necessary personnel. Additionally, changing organizational models and the battle to acquire top-ranked talent are spurring the move of back offices from the periphery into Core Urban Areas.

For decades, companies reduced real estate costs by housing clerical workers in back-office space, typically far from central business district-located executive offices. Back-office operations and shared service centers (SSCs) were usually located on the urban periphery, allowing companies to hire low and moderate-skilled workers at a lower cost than those hired for jobs located within the CBD.

However, as an increasing amount of business processes become **automated**, the need for such positions has significantly decreased and many are being **outsourced**. Additionally, “back offices” today operate in a highly collaborative **globalized** environment using complex technology platforms and therefore increasingly require high-skilled multilingual workers. These Accounting, Finance or IT skills are often more difficult to source than traditional front office roles. These workers are typically young talent who desire a live/work/play environment in centralized urban locations. This labor pool is driving a wave of **urbanization** as offices move into the center of cities to attract talent, and also redesign their spaces to be collaborative, lively, and inviting.

Ironically, the common front-office positions, like customer service and sales, are actually becoming automated and **dematerialized**; the dichotomy that once existed between front and back offices has turned on itself, and the two are no longer easily separable. The obvious convergence of front and back offices is driving additional resources into CBDs to cater to and retain the supply of high-skilled and tech-savvy workers that have become vital to many businesses’ success.

The churn and retention of unattractive “back office” will cost a business several times the property savings. In today’s quest to attract and engage the best talent, the workplace needs to embrace diverse location settings.

The emerging wave of highly connected central office hubs will give front and back office employees greater opportunity to interact and, in turn, foster an environment of collaboration and innovation.



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