



# DIGITAL TRANSFORMATION SURVIVE AND THRIVE

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A Survey on Innovators in the **Built Environment**

# EXECUTIVE SUMMARY

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# Alex Wiffen

In my role as MD at Cherry Pick People I always had a passion for working with innovative real estate businesses and individuals. Recently we have seen an emergence of people looking to take on more tech orientated roles within the built environment. This led us to want to investigate this further and understand the market more. We partnered up with Unissu to investigate and the results are fascinating...

This report presents the analysis, key findings and recommendations based on the survey and interviews. The report is aimed at innovation leaders in the built environment, who currently work in innovation roles in the industry or are looking to get into innovation roles in the future. The report is interesting also to several other decision makers, who may support innovation. Furthermore, a central conclusion of the report is that businesses should make cultural change a priority in digital transformation. As such changes concern all actors in the sector, the report is also of interest to a broader audience.

*Alex Wiffen*

**Alex Wiffen**  
**Managing Director**

# FOREWORD

## Digital Transformation

Innovation in the built environment has taken giant leaps in the past decade. It is apparent that property technology has an increasingly important strategic role in innovation, but technology as such represents only a fraction of a wider phenomenon of digital transformation. As David L. Rogers argues (2016), digital transformation is not about new technologies, but about rethinking strategies. Therefore, we provide a broader definition of digital transformation in the built environment:



*PropTech is one small part of the wider digital transformation of the property industry. It describes a movement driving a mentality change within the real estate industry and its consumers regarding technology-driven innovation in the data assembly, transaction, and design of buildings and cities.*

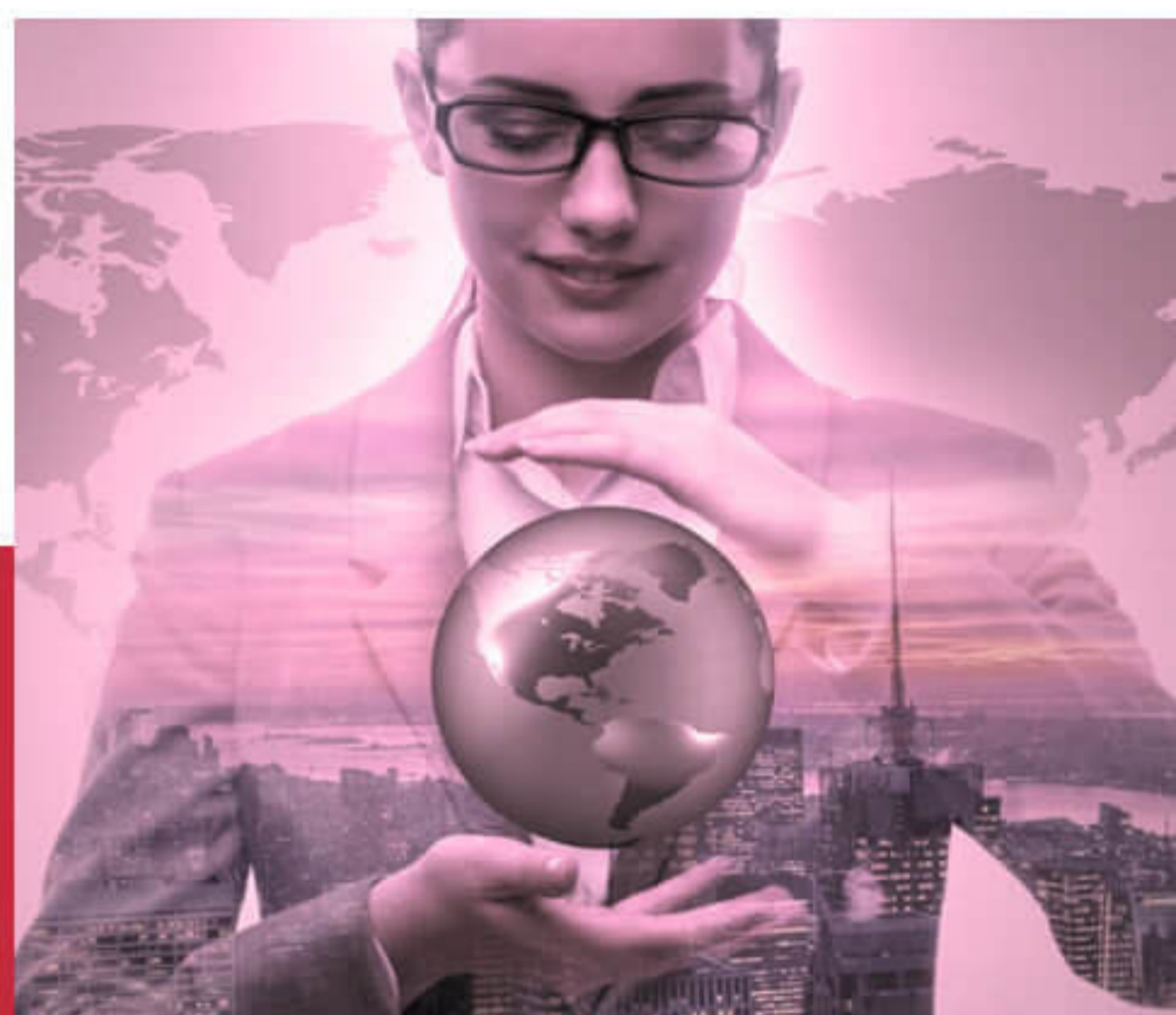
**Dearsley and Baum, 2017**

To manage digital transformation, **new innovation leaders** have risen to the forefront of industry development. It's now time for a systematic analysis of how these leaders manage the industry on its transformation journey. For this, we conducted a **Survey of Innovators in the Built Environment** during spring 2022. The survey is an exploratory survey which aims at describing an emerging topic, and discovery of ideas and insights.

We **received 176 responses to the survey**. The survey has a global reach, as the **respondents represent 42 different markets across the world**, and majority of the firms operate globally or in a regional market. Further, the survey covers innovator roles across the built environment life-cycle, including firms specialized in a variety of services, such as investment and asset management, property management, property technology, construction, advisory and other types of consultancy. The survey also covers firms of different sizes, from one-person businesses to **multinationals employing more than 10,000 employees**. The survey focuses on the digitalization pioneers in the sector: 88% of the respondents state that their firms are either developing, executing or reconfiguring their strategies related to digitalization, which indicates that the digitalization maturity of the respondents' firms is high. Further, **79% of the respondents identify as male and 17% as female**, which indicates that industry development is still a male-dominant practice. **The respondents were, on average, 44 years old, ranging between 24 and 71 years.**

This report presents the analysis, key findings and recommendations based on the survey. The report is aimed at **innovation leaders** in the built environment, who currently work in innovation roles in the industry or are looking to get into innovation roles in the future. The report is interesting also to several other **decision makers**, who may support innovation. Furthermore, a central conclusion of the report is that businesses should make cultural change a priority in digital transformation. **As such changes concern all actors in the sector, the report is also of interest to a broader audience.**

In addition to the survey, we interviewed seven of the survey respondents in order to get in-depth knowledge on the roles of innovation leaders. **Therefore, the report is a comprehensive study of the roles of innovators in the industry.**



The survey was conducted in collaboration with **Cherry Pick People**, a leading recruitment specialist in Property & Construction; **Unissu**, a globally trusted PropTech procurement platform; and Olli Vigren, a PropTech researcher from **KTH Royal Institute of Technology** in Stockholm. All authors have extensive experience working on digitalization of the built environment sector.

# FIVE RECOMMENDATIONS TO SURVIVE AND THRIVE

The report is structured around five themes and recommendations for innovators in the built environment:



## RECOMMENDATION ONE:

Make culture a priority in transformation



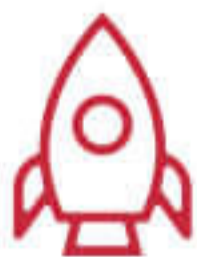
## RECOMMENDATION TWO:

Demand your role has a full-time focus on innovation



## RECOMMENDATION THREE:

The nature of your team and your job title should sit within the “change” or “transformation” mandate



## RECOMMENDATION FOUR:

Evolve or be sidelined



## RECOMMENDATION FIVE:

Be a leader



# Make culture a priority in Transformation

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## RECOMMENDATION ONE

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The survey results show that cultural barriers prevent a broader acceptance of innovations in the industry. Therefore, we see that cultural change should be identified as a key objective in strategy. Our first recommendation is to make cultural change a priority in transformation work. This has major implications for how the roles of innovators should be seen in the industry.

Digital transformation has a long history in different industries, and the built environment sector is often seen to be lagging behind in digital development. Differences between industries arise from the dominant industry logics, but research also shows that there are many similarities related to management of digital transformation. Several authors point out that digital transformation is primarily about people, changes to organizational dynamics and culture, rather than digital technologies as such (e.g, Rogers, 2016; Kane, 2019; Vigren et al., 2022 Vigren, 2022).

The main conclusion of this **Survey of Innovators in the Built Environment** is also that digital transformation requires a focus on cultural change in the built environment industry. This industry is repeating the experiences of many other before it.

This finding was evident both in survey responses and interviews. By culture we mean the broadly adopted attitudes towards innovations, innovators and the introduction of new technology. Culture is important as digital transformation requires that innovations are initiated, developed and implemented throughout the organization, as well as in customer and partner organizations.

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*Innovation needs to be vertically integrated across a business - both culturally and also organisationally.*

**- Mike Gedye, Head of Tech Media & Telecom, CBRE**

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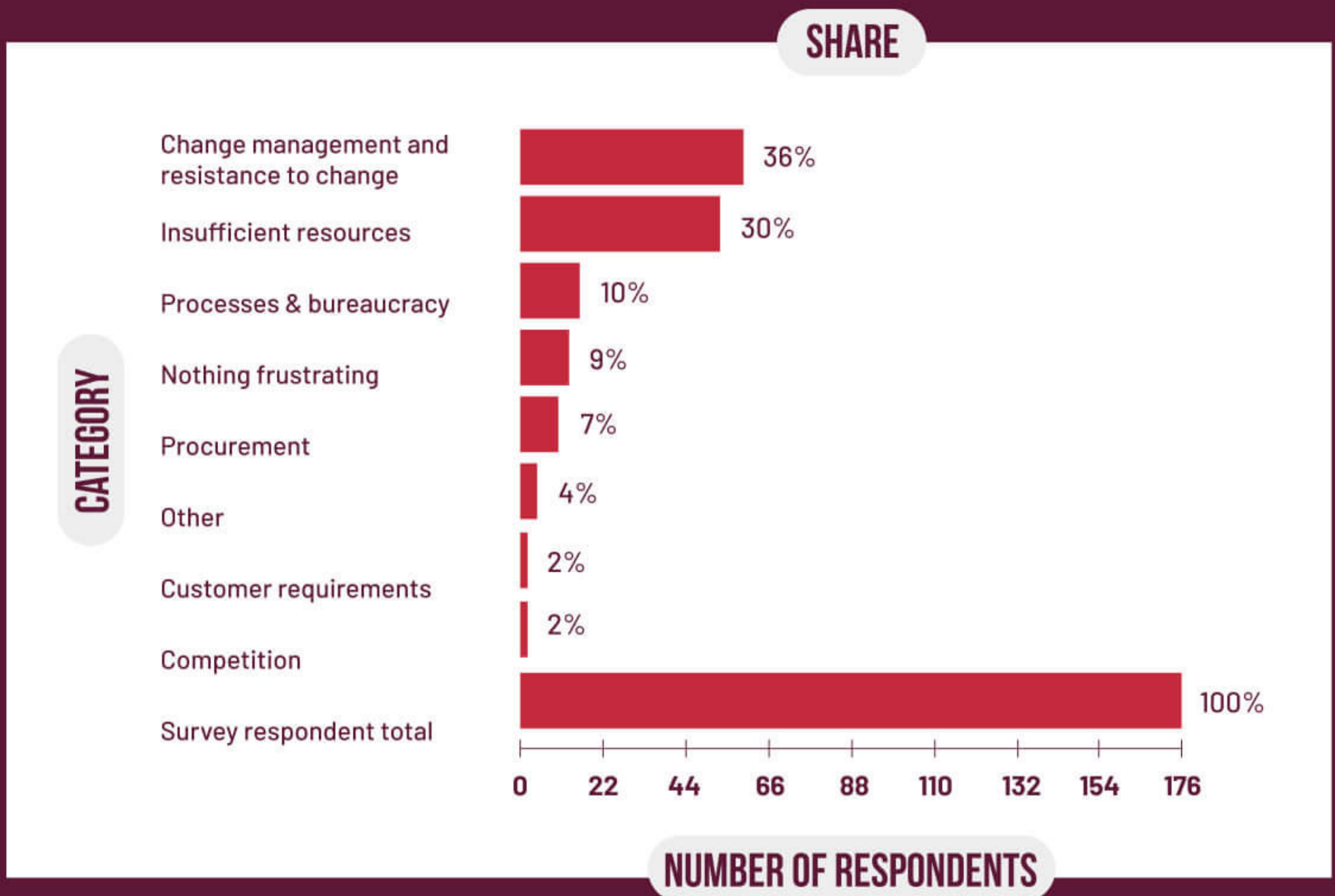
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*Digital transformation needs to be driven top down and bottom up; mandated from the top, but it's very granular, so also driven from the bottom up (...) EVERYONE in the business must be the spotter of opportunities. Everyone is the spotter for the next best thing!*

**- Chris Marriott, CEO, Savills South East Asia**

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**"Figure 1. The most frustrating things that innovation leaders perceive in their current roles".** Topics related to change management and resistance to change were ranked as the most frustrating aspect (36% of the respondents), followed by insufficient resources (30%) and processes and bureaucracy (10%). Altogether these issues (76%) relate to the cultural context in which innovations are sought to be implemented. For example, respondents point out that "old minds", "antiquated processes and culture", "internal red tape" and "too many layers for approval" prevent introduction of new mindset related to innovation. One of the respondents specified that "the board of directors are not forward looking", which prevents innovation.



**Due to such cultural barriers to digital transformation, our first recommendation is to make cultural change a priority in transformation work.** This has major implications for how the roles of innovators should be seen in the industry, which we bring up in discussions about our other recommendations.



However, the results also indicate that changing company culture is at the moment ranked low (11th) in the priority of motivations to develop and execute innovation strategies (Table 1). Firms are motivated by drivers that mainly improve current business, such as better customer experience (1st priority), improved data management (2nd), sustainability (3rd), competition (5th, 8th and 10th), cost management (6th), increased revenue (7th), and attracting and retaining talent (9th). Discovering new business models was identified as the third most important motivation. Furthermore, 77% of the survey respondents report that their firms are either “totally committed” or “very committed” to innovation, which shows that most of the innovation leaders operate in environments that are supportive of innovation. Yet, cultural barriers may prevent a broader acceptance of innovations in the industry also in the future, if cultural change is not identified as a key objective of transformation work.

**TABLE 1**

**Why do firms develop and execute innovation strategies?**

CATEGORIES	RANK OF IMPORTANCE
Delivering better customer experience	1
Better data management	2
Discovering new business models	3
Sustainability issues	4
Gaining an advantage over competitors	5
Cost management	6
Increased revenue	7
Increasing market share	8
Attracting and retaining talent	9
Responding to disruption in the market	10
Changing company culture	11
Other	12

# Demand that your role has a Full-time focus on Innovation

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## RECOMMENDATION TWO



The survey results show that innovation is a part-time role in the sector, and that innovation work suffers from resource scarcity. As innovation is a challenging task that requires expertise, time and other resources, our second recommendation to innovation leaders is that you should demand that your role has a full-time focus on innovation. Effective digital transformation and cultural change are only possible with sufficient resources and commitment.

In addition to the wider cultural change, much needs to be improved in companies' innovation activities. Insufficient resources for innovation was ranked as the second most frustrating thing in innovation leaders' work (30% of the respondents), and lack of resources was also evident in other survey questions and interviews.

It is particularly noteworthy that innovation leaders don't do innovation work full-time, as they have many other roles and responsibilities in their businesses. Table 2 shows that, on average, innovation leaders spent 53 percent of their time on innovation work, which means that innovation is a part-time role in the sector. Further breakdown shows that this finding is also rather consistent across job title categories. Notably, only 9% (15 respondents) work full-time on innovation.

**TABLE 2**

**How much time do innovation leaders spend on innovation work as part of their role?**

<b>Job title category</b>	<b>Number of respondents</b>	<b>How much time do innovation leaders spend on innovation work as part of their role?</b>
Director	63	50%
Manager	32	53%
Founder, owner or partner	25	58%
CEO or managing director	24	53%
Other	20	55%
Other C-level	8	40%
Vice president	4	70%
Total	176	53%

The survey results consistently show that innovation work suffers from resource scarcity. This finding is particularly problematic, as the survey is targeted at the innovation leaders in the industry. If these innovation leaders suffer from resource scarcity, it is likely that the majority of firms in the sector that are at the beginning of their innovation journeys are also severely resource-constrained.

Our concern is that innovation is a demanding task that requires expertise, time and other resources. To our understanding, it would be important that innovation leaders could focus on innovation work without other business responsibilities. **Therefore, our second recommendation to innovation leaders is that you should demand that your role has a full-time focus on innovation.**



*The industry is really challenged with finding innovation leaders, change leaders and digital leads. But it's fascinating that organizations that hold real estate – namely the investment managers and the funds – don't have these innovation roles at all. It tends to be individuals who do it off the side of a desk – it's almost a voluntary role.*

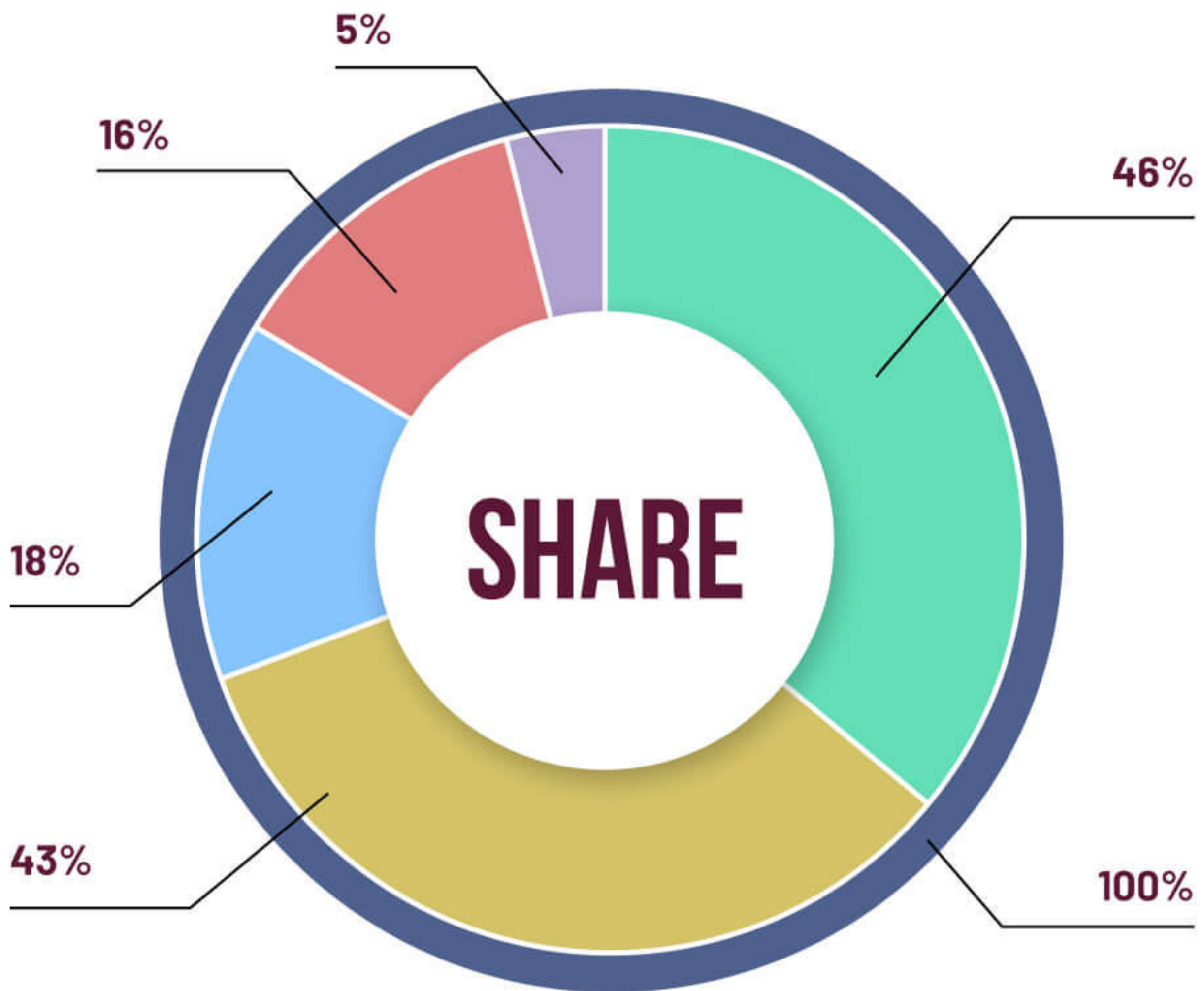
**- Nick Wright, Head of Digital Sales, CBRE UK**

On the other hand, the respondents found the role of innovation leader as highly rewarding in terms of impact within their firms, impact towards customers and cooperation with partners. One of the respondents stated that “growing a business, creating jobs and adapting value proposition at a very exciting and changing time in the industry” is the best thing about his current role as an innovation leader. Other respondents point out that the best things for them are to be “at the intersection of property, tech and marketing”, to “build something I'm passionate about” and to have “room for creativity and implementing vision”.







Overall, 46% of the respondents state that the best part of their job is that they get to shape the company's strategy and lead the transformation (Figure 2). Other good aspects about the innovation leader's role were flexibility and learning (43%), people (18%), problem solving (16%) and other aspects (5%), such as client engagement.

**FIGURE 2**

**The best things that innovation leaders perceive in their current roles**



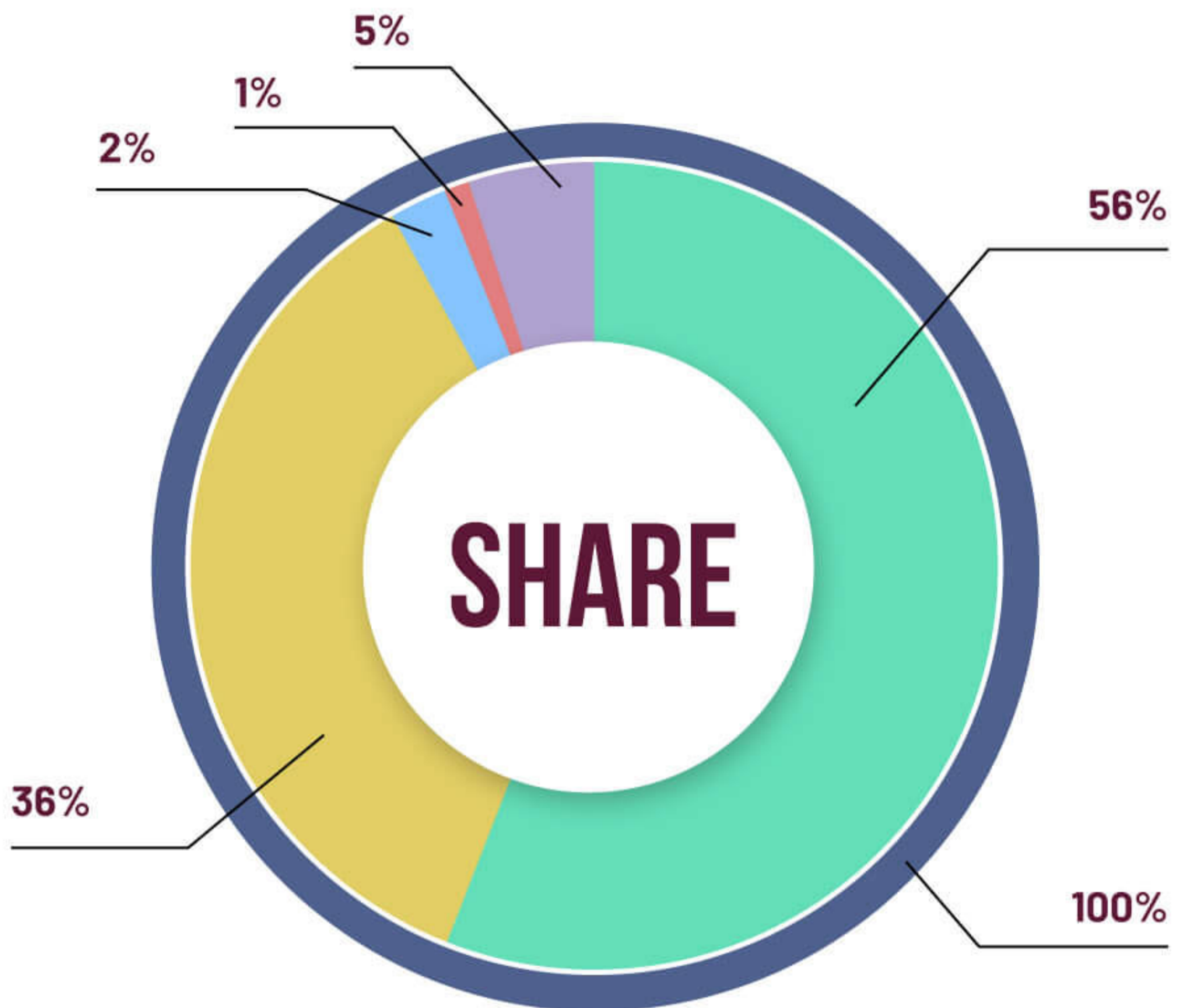
**Categories:**

- |  |   |   |
|--|---|---|
|  Strategic change         |  People          |  Other                   |
|  Flexibility and learning |  Problem solving |  Survey respondent total |

Finally, despite the resource-scarcity, the respondents felt that they are influential in their companies. A majority of respondents (56%) state that they are very influential, and 36% believe themselves to be somewhat influential (Figure 3). Only 3% of the respondents see that they are not influential. This sense of influence may be due to the fact that most respondents are in leadership positions in their companies. Overall the findings indicate that the respondents are content with the impact of their work within their firms.

**FIGURE 3**

**How influential do you feel you are within your company?**



**Categories:**

- Very influential
- Somewhat influential
- Not very influential
- Not influential
- No answer
- Survey respondent total

The nature of your team and your job title should sit within the “change” or “transformation” mandate \_\_\_\_\_

# RECOMMENDATION THREE



The survey results show that innovation work is gaining maturity and recognition, which could be further improved by harmonizing the innovator role titles and descriptions. Our third recommendation to innovation leaders is that the nature of your team and your job title should sit within the “change” or “transformation” mandate. These descriptors would establish that the aim of digital transformation is about the wider mentality change and acceptance of innovations within the industry.

Today, digital transformation in the built environment sector takes many forms, which in survey results is reflected in the diversity of how digital transformation work is organized in different organizations. This is probably due to the fact that digital transformation work is new in the industry.

In this report, based on the survey results, we propose structures for how the roles of innovators could be understood in the future. This could help to prioritize work related to digital transformation and to communicate about change, both internally in innovation leader's organizations and with external stakeholders.

Our third recommendation follows from the understanding that culture should be identified as a priority in digital transformation (recommendation one), and the finding that digital transformation work suffers from resource scarcity (recommendation two). In order to address the challenges of cultural change and resource-constraints, **our third recommendation is that the nature of your team and your job title should sit within the "change" or "transformation" mandate**, as these descriptors would establish that the aim of innovator roles and digital transformation is about the wider mentality change and acceptance of innovations within the industry.

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*The key to any change is the change journey: the more people that you can get on your team supporting you, selling the story, being positive about what the outcomes will be, and really amplifying the message that transformation is going to be a big accelerator for your business, then that is going to make a big difference.*

**- Suzette Lamont, Global Head of Client Solutions, CBRE Host**

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*If a company appoints specific roles to handle change and transformation, the implementation is only going to work if there is an open culture towards innovation.*

**- Eleanor Walter-Pavlou, Innovation Manager at GPE**

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Our concern is that with job titles that don't recognize "change" or "transformation" as a central aim of digital innovation, it is challenging (1) to identify various innovator roles across firms, (2) to allocate resources for digital transformation, and (3) to communicate about digital transformation with the right people. For example, having "digital" or "innovation" in a job title may prevent a wide (cultural) approach to innovation, if they limit the view merely to technological innovation for which the innovation manager is solely responsible.



*Your job is not innovation – it's driving change: you need to enable, empower and align the desired innovations with how it makes business sense, in terms of outcomes. The broad topic is about change and it's about culture.*

**- Alain Waha, Chief Technology Officer, Buro Happold**

Yet, the survey results show that 176 respondents had 139 unique job titles, which shows that there is little consistency between the job titles. Only 1 respondent had "change" in the job title, and 4 respondents had "transformation". These titles were "Change and Innovation Manager", "Transformation Lead", "Transformation Director", "Director of Technology Transformation" and "Senior Manager, Digital Transformation".

The innovator roles are quickly developing: 49% of the respondents state that they currently are in their first innovator roles, and 45% had been in their current roles for less than two years. Furthermore, 68% state that the innovator role was new for their companies when they started. Therefore, innovation work is gaining maturity and recognition, which could be further improved by harmonizing the innovator role titles and descriptions.

# Evolve, or be Sidelined

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## RECOMMENDATION FOUR



The survey results show that the role of innovation leaders should be about change and digital transformation, rather than technologies as such. Furthermore, role differentiation may prevent commoditization of the knowledge related to the role of innovators, which may lead to higher salaries. Our fourth recommendation is that innovation leaders should take the role of strategists and orchestrators of digital transformation, or be sidelined.

In order to understand the roles of innovation leaders, it is important to specify what is unique about these roles in the built environment sector.

First, innovation leaders in the built environment need to balance between two knowledge domains: (1) knowing how to lead digital transformation, which requires an understanding of organizations and digital technologies; and (2) knowing the specific business logics, practices and technologies of the built environment sector. The questions for firms are (a) which area of knowledge is more important in managing digital transformation? (b) how to benefit from both knowledge domains in digital transformation?, and (c) how to train and recruit individuals, and build teams that can balance these knowledge domains? These are complex organizational questions.

The survey results and interviews indicate that the role of innovation leaders should be about change and digital transformation. In contrast, technological innovation as a technical field and built environment as a professional knowledge domain require specialists, but managing digital transformation is more strategic and should focus on setting goals, and guiding firms towards those goals. In other words, **the role of innovation leaders is that of a strategist and an orchestrator.**

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*I'm an expert in transformation. I don't need to know about real estate. I can 'buy' that from others.*

**- Anders Stenback, Head of Transformation, YIT**

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*I'm not interested in having people who can read a lease or negotiate a rent review. I'm really interested in having people who believe in the purpose and delivery of what we're trying to do... and who understand the needs of our customers.*

**- Toby Courtauld, CEO, GPE**

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*Having real estate knowledge coupled with the technology and change management understanding is key.*

**- Ross Hodges, Global Emerging Technology Lead, Cushman & Wakefield**

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*The reason we see so many failed PropTechs is because they are driven by technologists who quite often lack the experience to understand the nuances of the real estate market. To successfully innovate and accelerate digital transformation it has to address what matters, not just what you can digitize.*

**- Mike Gedye, Head of Tech Media & Telecom, CBRE**

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Furthermore, the description of innovation leaders as strategists and orchestrators of digital transformation differentiates the role from other roles in the built environment sector, which has important implications for the careers of innovation leaders. First, this differentiation may prevent commoditization of the knowledge related to the role. The built environment sector has a sophisticated labor market from which to recruit specialized real estate professionals, such as asset managers. But these professionals may lack expertise in leading change and transformation, which is required of innovation leaders. Therefore, innovation leaders benefit from this differentiation of roles, which may lead to higher salaries. Second, as we will next argue, the role of innovation leaders as strategists and orchestrators of innovation is a springboard to career advancement and C-Suite roles in the built environment sector.

Consequently, **our fourth recommendation is that innovation leaders should take the role of strategist and orchestrator of digital transformation, or be sidelined.**



# Be a Leader

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## RECOMMENDATION FIVE



The survey results show that innovation leaders are key personnel for their firms today and that they are on a track to advance to top management positions in the future. Also, experience in digital transformation will increasingly be needed in the senior leadership in the future. Therefore, our fifth recommendation for innovation leaders is to be prepared to become leaders in the built environment sector more broadly, beyond digital transformation.

With the quickly changing innovation landscape in the built environment sector, new innovation leaders have risen to the forefront of industry development. The future looks bright for these leaders as the job market for innovation leaders is growing. Furthermore, we believe these changemakers are tomorrow's leaders in the built environment sector more broadly.



First, the survey results indicate that demand for innovation leaders is growing. We asked the respondents how confident they are on a scale of 1-10 about their future prospects as innovators in the built environment sector, and the average score was 8.4. This signals that the individuals are confident in the prospects of their careers.



Furthermore, the survey results indicate that the innovation teams are growing in the future. When asked if the respondents expect their teams to grow, remain the same, or shrink in the coming 12 months, 74% of the respondents expected growth. Only 20% of the respondents expect that the team size remains the same, and 1% expected that the teams would be shrinking. Similarly, 77% of the respondents expect that more firms would create innovation roles within the next 12 months, 17% expect that the same firms will be the ones with innovation roles, and 2% expect that fewer firms would have innovation roles.

The expected growth of the job market for innovation leaders creates expectations for higher salaries. The survey gives an indication of salary levels today. For example, respondents report average salaries (all figures in USD) of \$110,000 in Latin America, \$165,000 in the United Kingdom, \$225,000 in the United States, and \$200,000 in Australia.

Second, today innovation leaders are leading strategic change projects, many of the respondents are in senior positions, and most of the respondents report to the CEO or C-Suite. These responsibilities and direct reports to the senior management indicate that innovation leaders are key personnel for their firms today and that they are on a track to advance to top management positions in the future. **Therefore, our fifth recommendation for innovation leaders is to be prepared to become leaders in the built environment sector more broadly, beyond digital transformation.**



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*I think innovation and technology experience will be needed in leadership in the future because the market is changing. (...) We are going to need people who are more experienced in change management and transformation.*

**- Eleanor Walter-Pavlou,  
Innovation Manager at GPE**

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*Today, there is a lack of knowledge, guidance and thought leadership around the role of innovation in organizations in real estate, both large and small. (...) The people that understand real estate, change management and technology will be the eventual thought leaders.*

**- Ross Hodges, Global Emerging  
Technology Lead, Cushman & Wakefield**

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# CONCLUSION

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Digital transformation in the built environment sector is fundamentally about solving grand challenges with the help of digital technologies. This requires a mentality change within the industry - and new leadership to manage the transformation journey.



*Start with the “Why” – identify the critical needs, innovate and deliver outcomes on the things that matter the most.*

**– Mike Gedye,  
Head of Tech Media & Telecom, CBRE**



This survey is an attempt to help the industry in this transformation journey by a systematic analysis of the roles of innovation leaders. The survey documents the rise of new innovation leaders to the forefront of industry development, and provides structures for thinking about the transformation. Further, the five recommendations aim at taking the digital transformation process forward.

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# APPENDIX

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## AUTHORS



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Technology Lead,  
Cushman & Wakefield



**Eleanor Walter-Pavlou**  
Innovations Manager GPE

# INTERVIEWS WITH CONTRIBUTORS

Discussing the Recommendations



**REC 01**

<https://vimeo.com/725436448>



**REC 02**

<https://vimeo.com/725439515>



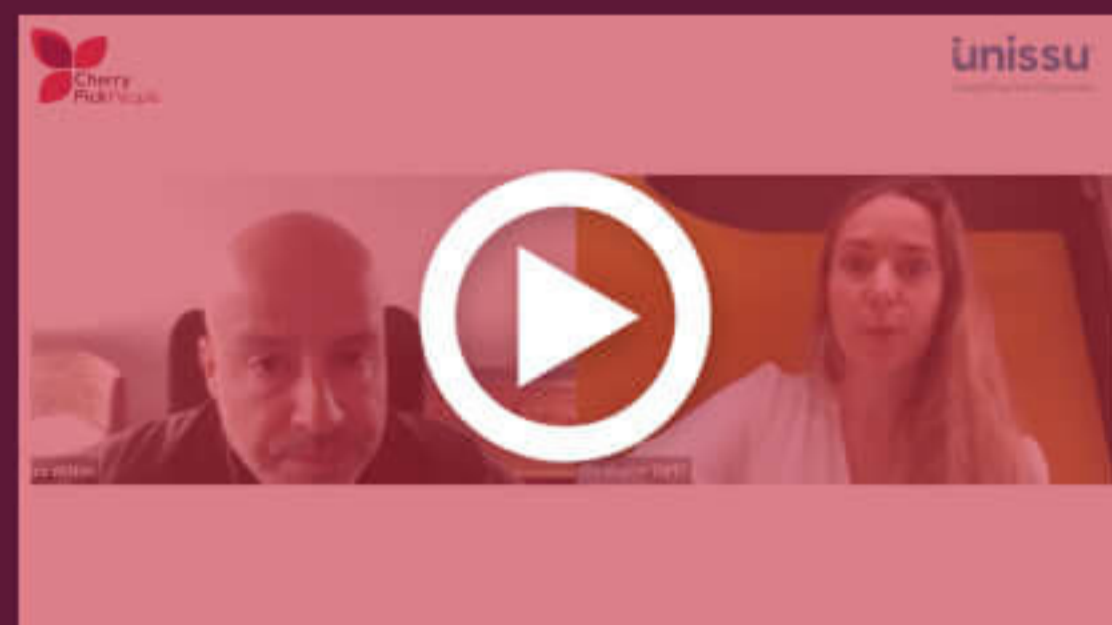
**REC 03**

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**REC 04**

<https://vimeo.com/725460744>



**REC 05**

<https://vimeo.com/725461671>

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