



redhat®



# GLOBAL WORKPLACE SOLUTIONS

Uniting Workplace with  
Red Hat Brand & Culture

# WHO WE ARE

Global Workplace Solutions plans, develops, and maintains Red Hat worldwide offices to provide a safe and comfortable work environment for our employees, customers, students, and visitors. We are responsible for managing our rapidly growing and diverse global real estate portfolio, comprised of over 75 leased offices measuring approximately 1.3 million square feet in more than 30 countries.

Our team serves as a strategic adviser to the business by consistently delivering the following integral services to Red Hat:



Our relatively small, yet effective, team supports Red Hat's dynamic workplace requirements, driving strategic initiatives related to workplace design and location. Our employees are passionate, highly specialized and industry recognized. We have developed a world-class partner strategy to leverage industry "best practices" and to maximize our return on investment, consistently leveraging managed-partner models to support the business requirements driven by our global portfolio.

The Red Hat workplace plays a strategic role in supporting our corporate brand message, as well as our employee attraction and retention strategy. Our organization is closely aligned and dependent on our corporate partners: the People team and IT. Together we deliver the workplace, human capital and technology that create the basic building blocks inherent to our Red Hat DNA.

# ORGANIZATIONAL OVERVIEW

We have all heard the growth projections: "Red Hat will triple in size in less than five years," and "Red Hat will increase headcount by 1,000 associates this year, increasing our staff size by more than 20% globally." Great aspirations bring outstanding opportunities, but not without maturity and preparation.

With such lofty expectations for Red Hat, it was quickly evident as we entered FY13 that our department had to rapidly mature in order to proactively support our future business needs. We had to add specialists who had experience managing enterprise-level real estate and workplace departments in growing firms. We had to set proper expectations and priorities for the business, and focus on high-level customer service without losing sight of bottom-line performance. We needed to listen to associate needs, and take into account benchmarking statistics, and business expertise that could enhance Red Hat's attraction and retention efforts.

First we reorganized our department into five distinct areas, accomplishing a number of immediate benefits, including:

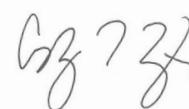
- Increased levels of knowledge and expertise;
- More efficient use of time and money;
- Dedicated subject-matter experts (SMEs) in-house;
- Better-focused efforts by experienced professionals;
- More mature management for departmental development;

- Streamlined thought processes that focus on greater efficiency and cost-control; and
- Increased productivity and clearer direction and advice.

In addition, classifying Red Hat offices into four distinct categories helps raise our largest business priorities to the forefront. Previous efforts to treat all offices with equal importance did not scale efficiently, but now we are positioned to invest more in our core and critical locations, and bring accountability for business performance to other sites. We often used the following metaphor when discussing our new office reclassifications:

The purpose of this report is to educate the global business about our new department and changing role within Red Hat. Our new business unit name, Global Workplace Solutions, encompasses a wealth of experience, focus, and dedication that will help us prepare for Red Hat's high growth projections while delivering inspiring workspaces that are productive, efficient, and a compelling component of our employee value proposition.

Our team is looking forward to living up to the challenge.



**Craig Youst**  
*Senior Director, Global Workplace Solutions*

	<b>Level Of Product</b>	<b>Level Of Personal Service</b>	<b>Example</b>
<b>CORE</b>	Maximum	Maximum	Harrods @ Knightsbridge
<b>CRITICAL</b>	High	High	Harrods @ Heathrow Airport
<b>SATELLITE</b>	Fair	Minimal	Harrods Online
<b>MANAGED</b>	Little / None	Little / None	No Harrods

# REAL ESTATE

Red Hat's real estate portfolio includes over 1.3 million square feet of office space worldwide.

The largest **15** worldwide sites account for 70% of Red Hat's real estate portfolio size.

An annual rental savings of **USD 2 million** is generated at Red Hat's core and critical locations, when compared to market costs in those same areas.



The Red Hat Tower project received over USD 20 million in local, county, and state incentives.

The Westford, MA project received over USD 4 million in local, county, and state incentives.

## ORGANIZATIONAL COMPETENCIES

- Strategic Planning
- Lease Administration
- Portfolio Management

"The Real Estate group's highest priority is to proactively provide cost-effective and flexible work spaces where our business demands them most. This requires us to meet regularly with key business stakeholders to understand where the business is growing and how to ensure we support that growth."

~ Simon George  
*Senior Manager, Real Estate*

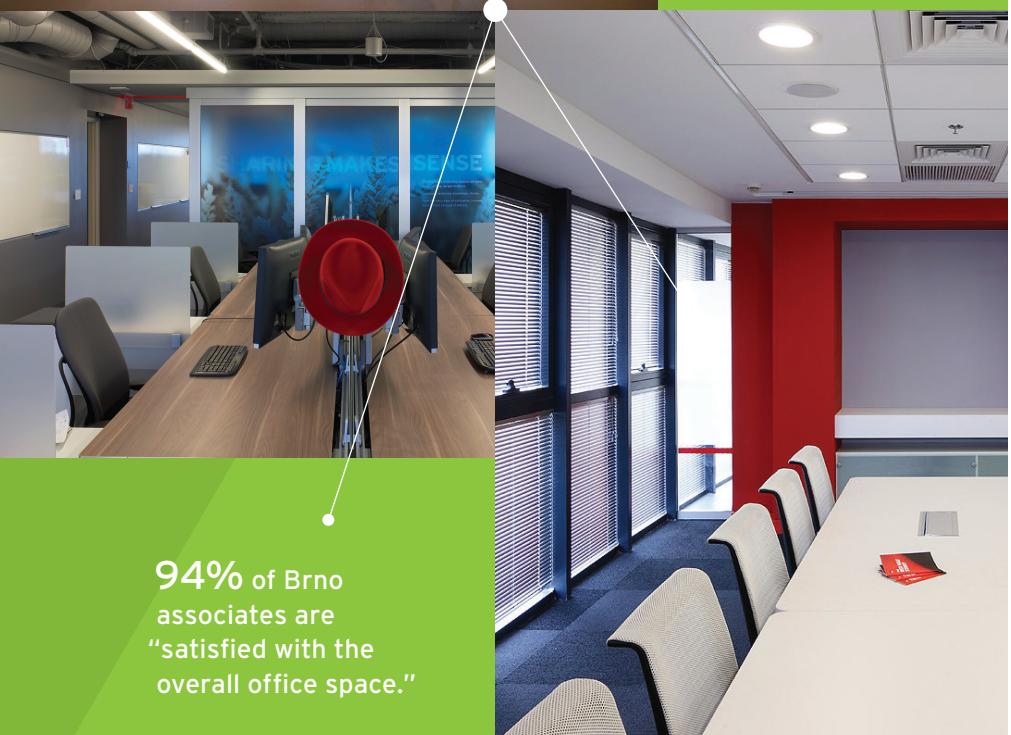
# WORKPLACE PLANNING

50% of Red Hat's global portfolio is currently in a planning, design, or construction phase to expand its current size.

100% of Mexico City associates say their office "supports the company mission and culture."



100% of Rome associates are "satisfied with their personal workspace."



94% of Brno associates are "satisfied with the overall office space."

## ORGANIZATIONAL COMPETENCIES

- Workplace Strategy
- Discovery Tools & Processes
- Guidelines & Standards
- Design & Space Programming
- Workplace Branding
- Communications & Change Management

"The Workplace Planning group plays a key role in global expansion, embracing our unique Red Hat culture and infusing it in the look-and-feel of our facilities. Our goal is to implement the Red Hat workplace program in support of our rapid expansion and future demands, including capturing our culture—one of our strongest business differentiators."

~ Louise Dixon Chapman  
Manager, Workplace Planning

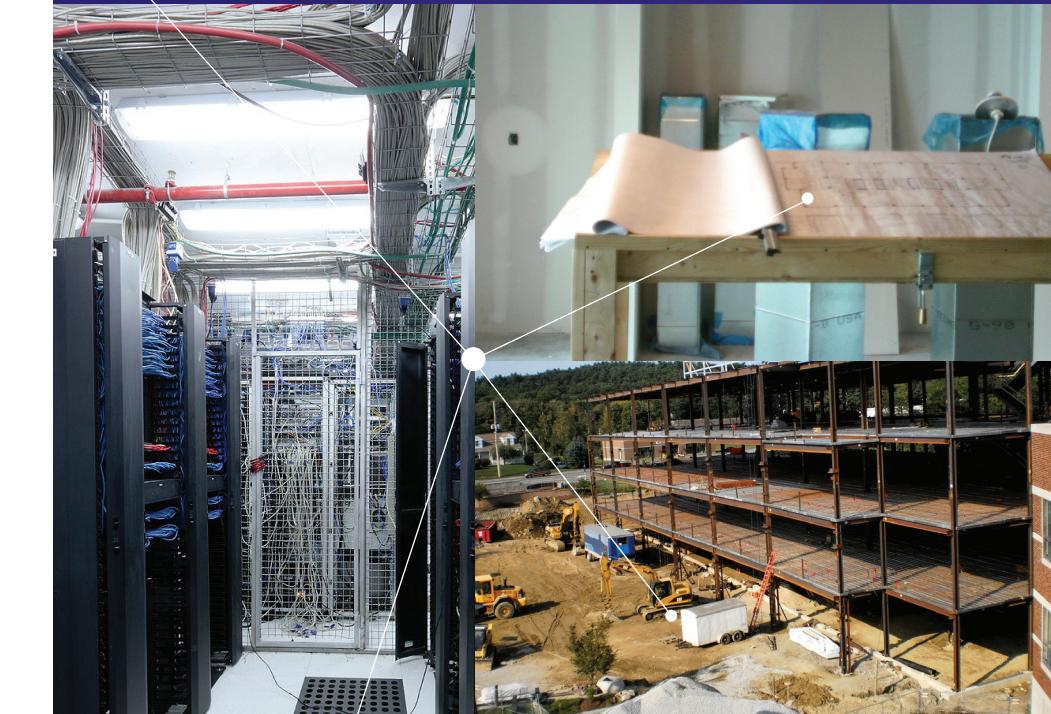
## ORGANIZATIONAL COMPETENCIES

- Real Estate Development
- Construction Management
- Sustainability

"The Real Estate Development and Sustainability team is responsible for the oversight and coordination of all global real estate projects, as well as all company-wide sustainability initiatives. Our team provides leadership to ensure that these projects are built to exacting quality standards while maintaining strict budget and schedule parameters. By integrating environmentally sustainable practices and fostering collaboration throughout Red Hat, our sustainability program works in concert with Red Hat's mission to be the catalyst in communities of customers, contributors, and partners, creating better technology the open source way."

~ Matt Moon  
Manager, Real Estate Development & Sustainability

# REAL ESTATE DEVELOPMENT & SUSTAINABILITY



Over 600,000 square feet of Red Hat space is currently under development in seven major locations globally.

Red Hat donated over 200,000 square feet of reusable carpet to public schools in NC.

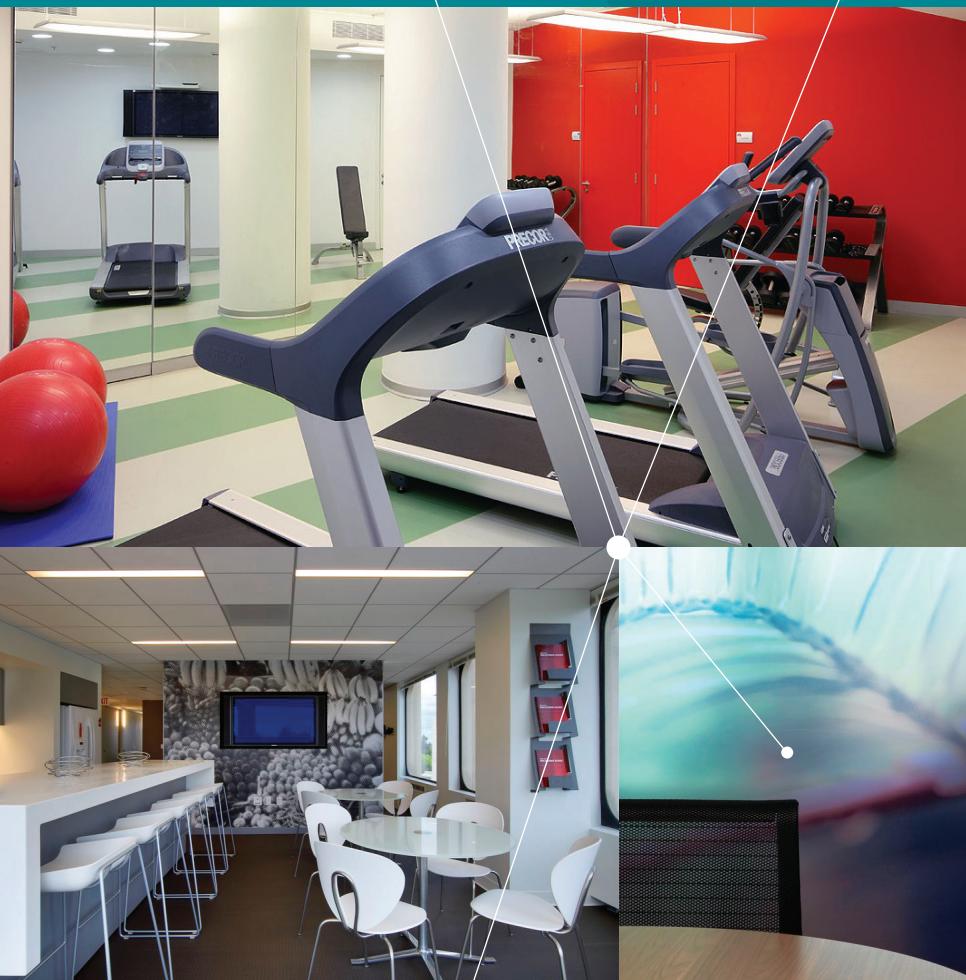
Red Hat has completed 15 real estate projects in the last 18 months.

Red Hat Tower will be the first certified LEED Gold high rise in downtown Raleigh.

Red Hat is currently seeking LEED certifications on the following global projects: Raleigh (North Carolina, USA), Westford (Massachusetts, USA), Pune (India), and Beijing (China).

# WORKPLACE RESOURCES

We provide ergonomic assessments to all Red Hat associates, focusing on health and productivity in the workplace while minimizing work-station-related injuries.



Red Hat touches almost **1,000** pieces of mail each day.

Red Hat manages over **5,000** security badges globally.

## ORGANIZATIONAL COMPETENCIES

- Workplace Health & Safety
- Security
- Shipping & Receiving
- Computer-aided Facility Management
- Facilities Organizational Training

"The strategic vision of the Workplace Resources group provides the optimal mixture of service and fiscal responsibility through process control and improvement. We honor Red Hat fundamentals like collaborative problem solving and meritocratic decision making, which leads us to solutions that meet customer needs and delivers service through the prism of innovation and efficiency."

~ Chris Muise  
Manager, Workplace Resources

## ORGANIZATIONAL COMPETENCIES

- Facilities Engineering
- Administrative Services
- Employee Programs
- Space Management

"Facilities Operations manages multidisciplinary activities impacting Red Hat associates and the physical workplace. Our group contributes to the proficient delivery of strategic and operational objectives. On a day-to-day level, effective facilities management provides a safe and efficient working environment, which is essential to worker productivity and satisfaction."

~ Danny Seaton  
Senior Manager, Facilities Operations

# FACILITIES OPERATIONS



Red Hat's annual occupancy cost per person at its core offices is within 1% of what is considered industry "Global Best in Class."

Red Hat's annual occupancy cost per square foot at its core offices is within the \$30-\$40 per square foot range considered industry "Global Best in Class."

Facilities Operations consistently uses 'voice of the client' survey feedback to ensure that our services are relevant and bring value to Red Hat associates.

# SERVICE DELIVERY MODEL

	CORE	CRITICAL	SATELLITE	MANAGED SERVICES
<b>Real Estate</b>	<ul style="list-style-type: none"> <li>Positive Influential to Revenue</li> <li>Strategic</li> <li>Visible</li> </ul> <p>Quarterly review and semi-annual report of market/headcount/real estate strategy; Real Estate team drives transactions working closely w/Finance and People on potential incentives.</p>	<ul style="list-style-type: none"> <li>Location Significance</li> <li>Mostly Customer Facing</li> <li>Positive Influential to Revenue</li> <li>Stable Growth</li> </ul> <p>Semi-annual review and annual report of market/headcount/real estate strategy; local brokers drive transactions with Real Estate team support.</p>	<ul style="list-style-type: none"> <li>Market Starters</li> <li>Negative Revenue Performers</li> <li>Acquisition Sites</li> <li>Limited/ No Headcount Growth</li> </ul> <p>Semi-annual review and report of market/head count/real estate strategy; local brokers drive transactions with Real Estate team support.</p>	<ul style="list-style-type: none"> <li>Market Starters</li> </ul> <p>Semi-annual review and report of market/head count/real estate strategy; local brokers drive transactions with Real Estate team support.</p>
<b>Workplace Planning</b>	<p>Full workplace strategy implementation, managed globally with regional support; direct engagement with executive stakeholder and management team; detailed communications plan and full design partner engagement.</p>	<p>Reduced workplace strategy implementation, managed regionally with global support; engagement with stakeholders and management team; standard communication plan and design partner engagement.</p>	<p>On demand with regional support</p>	<p>No engagement</p>
<b>Real Estate Development &amp; Sustainability</b>	<p>Full-service project management; pursue minimum LEED Gold or equivalent certification, or appropriate sustainable initiatives as recommended.</p>	<p>Full-service project management; pursue minimum Green certification, or appropriate sustainable initiatives as practical.</p>	<p>On demand; implement as many sustainable practices as practical.</p>	<p>No engagement</p>
<b>Workplace Resources</b>	<p>Full Safety Health Management Program; external ergonomic assessments; full assessment of physical security/surveillance; full shipping and receiving support.</p>	<p>Full Safety Health Management Program; full-service ergonomic assessments; full assessment of physical security/surveillance; shipping and receiving support on demand.</p>	<p>Full Safety Health Management Program; ergonomic assessments on demand; full assessment of physical security/surveillance; limited shipping and receiving support on demand.</p>	<p>Full Safety Health Management Program; ergonomic information provided; full assessment of physical security/surveillance.</p>
<b>Facilities Operations</b>	<p>In-house or partner building engineer; focused ownership of admin and employee programs; local space management.</p>	<p>Landlord-driven admin resource collaboration; coverage and collaboration for employee programs and space management.</p>	<p>Landlord managed; generalist coverage/monitoring; resource collaboration.</p>	<p>No engagement</p>

# GLOBAL ACHIEVEMENTS

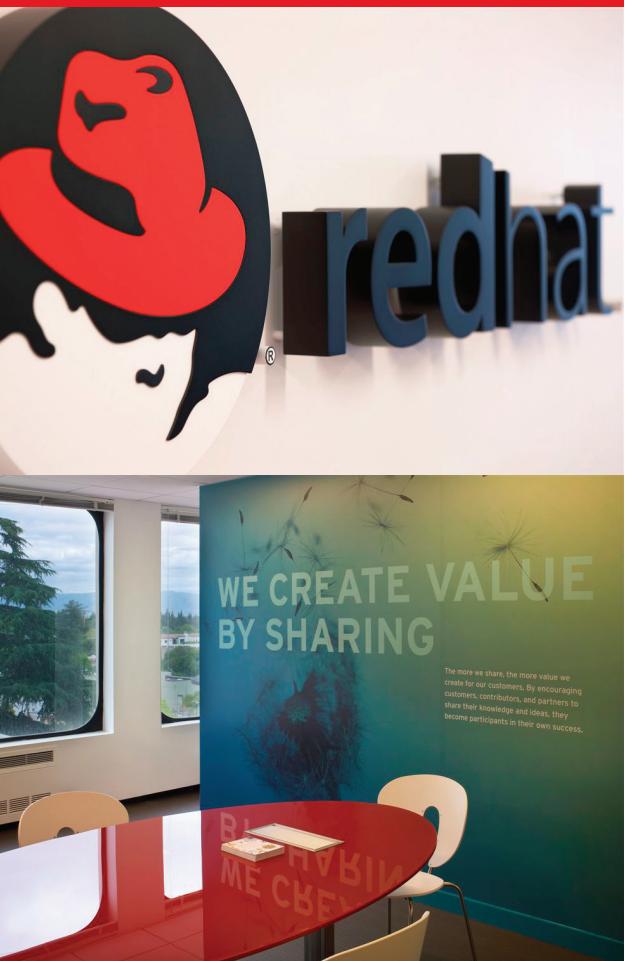
"Our collaborative work spaces are a three-dimensional representation of our brand and culture. They are designed to be transparent, collaborative, diverse, fun, inclusive, global and local."

~ Neil Flint  
*Senior Manager, Real Estate & Facilities Operations (APAC)*

"Our Global Workplace Solutions group continues to be recognized for our functional leadership and technical expertise. Our small team of customer-focused, subject-matter experts can point to three Red Hat Chairman Award winners who exemplify Red Hat values and our alignment with the greater business strategy—Deborah Curtis, Geraldine Karila, and Narayan Murty."

~ Barry Foy  
*Senior Manager, Real Estate & Facilities Operations (EMEA)*





"Our goals can only be reached through a vehicle of a plan in which we must fervently believe, and upon which we must vigorously act. There is no other route to success."

~ Stephen A. Brennan

## FY13 ORGANIZATIONAL GOALS

Goals are what keep an organization moving, changing, and reaching for more. It is essential to establish relevant, measurable, and transparent goals tied directly to the efforts of our employees. The FY13 goals for the Global Workplace Solutions group focus on metrics that translate directly to Red Hat associates, as well as our corporate balance sheet.

- Develop and post key performance indicators (KPIs) and business drivers for all large partners (i.e., more than USD \$100,000 spent annually) by the end of Q3, with detailed metrics scored quarterly thereafter.
- Develop a collection of ongoing key planning and financial performance reports to be used by all management by the end of Q4, with strategic proposals on streamlining efficiencies and reducing bottom-line costs.
- Redistribute and centralize roles and responsibilities to create global oversight into five distinct verticals, with all key roles hired by end of Q2.
- Broaden the planning window across all verticals to develop and post three-year and five-year strategic plans by the end of Q4.
- Benchmark existing costs at core and critical sites, propose a cost reduction plan by the end of Q3, and begin implementing that plan by Q4.
- Standardize protocols, procedures, policies, and financial measurements across all vendors and activities by the end of Q3.
- Standardize levels of service across all verticals for core, critical, satellite, and managed sites by the end of Q2.



"I was worried about whether Red Hat could infuse its youthful, tech-oriented personality into another company's building. I thought, 'Wouldn't it have been nice if we could build our own building.' But the team has taken my breath away with what we've been able to do to make it our own. There is no question in my mind anymore."

~ DeLisa Alexander

*Red Hat's Executive Vice President and Chief People Officer, commenting on Red Hat's move to its 19-story office tower in Raleigh, formerly the home of Progress Energy*



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