

CRAIN'S

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LATE NEWS

BELEAGUERED VARLEN SEEKING WHITE KNIGHT

Investment advisers to Varlen Corp. have been contacting potential bidders about their interest in the company, sources say, prompting speculation that Varlen's board early this week will reject Amsted Industries Inc.'s \$35-a-share hostile bid. The deadline for a formal response is June 8. One potential bidder who was contacted says Naperville-based Varlen, a maker of parts for the automotive, truck and rail industries, has been told by prospective buyers that it can attract a better price. While other bidders are likely to surface, Amsted—with a \$900-million credit line from Citigroup—could raise its \$700-million offer.

GERMAN FUND BUYS STONE HQ BUILDING

A German real estate fund purchased the Stone Container Building, the 41-story structure with diamond-shaped crown at 150 N. Michigan Ave., from a partnership controlled by Travelers Insurance Co. and Tishman Speyer Properties L.P. A spokeswoman for Chicago-based real estate firm Jones Lang LaSalle Inc., which is taking over management of the 630,000-square-foot property, confirmed the sale to BfG Immobilien GmbH but would not comment on the price, which sources

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Key players in Metropolis 2020 report: Commercial Club members James Kackley, Charles Shaw, Richard Thomas, Elmer Johnson, Arnold Weber, Michael Moskow and George Ranney. Missing from photo: Adele Smith Simmons, Tyrone Fabner, Jerry Pearlman, club Chairman John Madigan and former Chairman H. Laurance Fuller.

Reinventing the Metropolis

Bold, regional vision lands Commercial Club Executive of the Year award

By GREG HINZ

AT FIRST GLANCE—and even second or third—it seems an odd pairing. There's Elmer Johnson, the lawyer/philosopher on a mission to save urban America from the automobile and Americans from "our culture of consumerism and individualism."

And there's his partner, the Commercial Club of Chicago, a proud big-business organization whose far-reaching deeds once drew nods from heads of state but that recently has been better known for the quality of its lunches.

But like the TV version, this odd couple See EXECUTIVE on Page 110

ELECTRIC DEREG LOTTERY DRAWS FEW PLAYERS

Tepid corporate customer response will discourage ComEd rivals' entry

By STEVE DANIELS

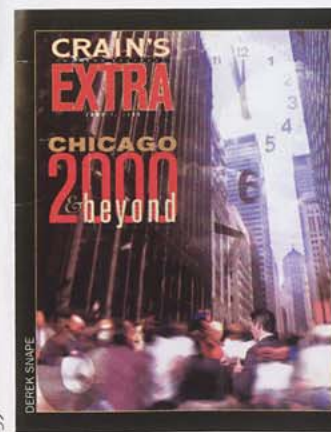
The electricity deregulation bash that's scheduled to begin in the fall is shaping up to be more of an intimate gathering.

Applications have been coming in at a decidedly tepid pace for the statewide "lottery" being held to determine the 33% of mid-sized and small commercial and industrial customers that will be allowed to choose their power provider beginning Oct. 1.

Thus far, fewer than 20,000, or 6%, of Commonwealth Edison Co.'s 300,000 commercial and industrial customers have registered for the lottery. Statewide, 11% of eligible commercial and industrial customers have signed up, according to the Illinois Commerce Commission (ICC). ComEd officials expect those numbers to grow, and are advertising in both daily newspapers in Chicago, as well as on five radio stations, to get the word out.

If applications don't pick up this week—the deadline for submissions is June 15—energy marketers may have substantially less than that one-third of the market to fight over. Such a slow start to the state's competitive power market could scare off some national players, which already fret that deregulation in Illinois unduly favors incumbent utilities

See LOTTERY on Page 116



Millennium outlook

A strategic plan for the future

CRAIN'S Extra embarks on a futuristic journey, mapping out the routes that business and community leaders are taking to prepare for the 21st century's extraordinary challenges. **Page E1**

Flip's new idea? A \$1-bil. Net fund

After Platinum, vision of Chicago as a tech player

By BARBARA ROSE

Chicago's brash entrepreneur Andrew "Flip" Filipowski, who last week closed Platinum Technology International Inc.'s sale for \$3.5 billion, is planning a locally based public company that could establish Chicago as a center for Internet technology.

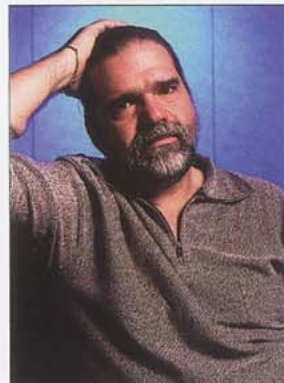
Mr. Filipowski is talking with private investors and Wall Street firms about the potential for raising as much as \$1 billion to cre-

ate a publicly traded group of venture capital funds focused on Internet-related startups.

The company would tap the talent and wealth spun off from the sales of such local companies as Platinum, the software company Mr. Filipowski founded 12 years ago and took public in 1991.

Platinum was acquired in a cash deal by New York's Computer Associates International Inc. Mr. Filipowski's stake was worth about \$290 million. An eight-year non-compete clause with Computer Associates prevents him from starting another software venture.

Sources close to Mr. Filipowski said he wants to enlist public-sector support for his new venture



Back Flip: With the sale of his software company complete, Andrew "Flip" Filipowski wants to create a public venture fund for tech companies.

capital company from Mayor Richard Daley and Gov. George Ryan, both of whom have stressed the importance of tech-

See FILIPOWSKI on Page 118

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Whether self-employed or laboring for a corporate giant, you'll have more choice about work space design than ever before.

The space age

By BARBARA B. BUCHHOLZ

The workplace of the future will not be dramatically different from today's version. But office dwellers will have more choices about the design of their work spaces than before.

"What goes around eventually comes around," says Franklin Becker, a professor and chair of the Department of Design and Environmental Analysis and director of the International Workplace Study Program in the College of Human Ecology at Cornell University in Ithaca, N.Y.

"Cyber cafes seem the latest rage, but Lloyd's of London was started in the 17th century in a coffee-house. People have also been working from home for a long time, and many are simply going back to doing that again now," he says.

The biggest trend for the corporate office is that it won't represent a single concept or either-or choice. The office employee of tomorrow will find his or her work environment in tune with individual learning styles. There will be a rich array of possibilities, a "cafeteria"-style approach, Mr. Becker says.

"In the old days, people used to go to one space to work; in the future, they won't be assigned permanently to a single spot but will choose among many, inside and outside the office, depending on the type of work," he says. "Sometimes, they'll work in teams in a conference room; other times, in adjacent private cubicles. Some executives will still have large offices, while others will prefer smaller spaces."

Alternative offices will be in vogue. Perhaps you will choose the "hoteling" option, in which you phone ahead and make a reservation for space. Or maybe your employer will embrace the "free space" concept, in which you grab whatever work space is available. Or "teaming space," in which you share space with co-workers on a mutually agreed-upon schedule.

"The buzzword for the office in the next millennium will be workplace effectivity, rather than productivity," says Bary Sherman, CEO of the California-based Institute of Business Technology. "The environment will be more attuned to the individual and, at the same time, have a team-oriented approach."

A spokesman at furniture maker Herman Miller Inc. in Zeeland, Mich., says that rather than "an" office of the future, there will be an office or offices in *your* future—work spaces tailored to the individual.

Within the shared spaces for teams, flexible tables will be wired for multiple computers and other equipment and will be easy to reconfigure, depending on the number of people working and the type of meeting, says Eileen McMorro, editor in chief of *Facilities Design and Management* magazine in New York.

Other furnishings also will be constructed as free-standing units rather than built-ins, with casters for easy mobility.

Furnishing colors will reflect a more diverse palette than conservative blues and grays; lighting will be improved and appear more natural.

When it comes to specific functions, PCs will include videoconferencing capabilities to encourage long-distance meetings, though face-to-face encounters will be preferable.

Scattered around the office will be monitors that display the events of the day. Workers will be able to use their souped-up PCs to check into their children's day care centers and even to "see" products in supermarket aisles if they shop online during breaks, says sociologist and author Pepper Schwartz.

PCs also will incorporate voice recognition features to help people get

organized, says Bob Piccirilli of home automation specialist Performance Innovations Corp. in Chicago. "The computers will tell you what meetings are scheduled and if you've taken on too much work."

Eventually, the almost-paperless office will materialize (haven't we heard that one before?) as more people scan important documents and faster scanners become available. "It will become easier for people to take information with them when they take along their computer. They may even work at a desk in their car," says Joan Kron, a New York writer and editor at large of *Allure* magazine, who co-authored the trend-setting book, "High Tech: The Industrial Style and Source Book for the Home," 21 years ago.

To accommodate employees' increased mobility, companies will position more small service facilities throughout an office, outfitted with copier machines, computers, printers and wet bars, says Chicago designer Leslie Stern. Naturally, employees will carry wireless phones or other communication devices at all times so they don't miss calls, says Ms. McMorro.

Because corporate employees are often on the run, more fully outfitted work spaces will be made available in public airport lounges, shopping malls, hotels and cafes, Cornell's Mr. Becker says.

Company cafeterias also will be beefed up so people won't have to waste time eating out. In addition to better-tasting, healthier food, employees will find more comfortable chairs and smaller tables for intimate gatherings, according to Ms. McMorro.

At Herman Miller's Michigan headquarters, the company "cafe" includes booths and soft seating. "We actively promote it as a place for small meetings, with technology accessible," the company spokesman says.

Because all work and no play has never been considered smart—and will be increasingly frowned upon in the future—more companies will set up exercise rooms.

Though home offices will reflect many of the same trends as corporate workplaces, two major differences will distinguish them.

First, furnishings will be more home-like so the overall impression is inviting and comfortable. "The aesthetic has to fit with personal taste, and the scale has to be different," says the Herman Miller spokesman.

Second, those working at home will learn how to set better boundaries between work and family time, which will mean drafting rules and sticking to them religiously.

People will need time more than ever to be together, without distractions, Mr. Becker points out.

Free-lancer Kathleen V. Schmidt contributed to this story.



Teamwork: Shared office spaces will be configured for work teams and individuals, with flexible tables wired for multiple computers and other equipment.