



SANDOW Design Group Roundtable Series

ThinkLab Connects with *Interior Design* Giants of Design on Health and Wellness Trends

Sponsored by: **Armstrong**Flooring™
Walk On. Walk Strong:



OPTIMISM FOR CHANGE; AN APPETITE FOR INNOVATION



The health and wellness sector has seen many changes, not only in response to the pandemic, but also in the way care is delivered and facilities operate. In 2020, healthcare institutions were significantly impacted by the pandemic. While some projects were put on hold, others were accelerated for the pandemic response at an unprecedented pace.

In 2021, projects are beginning to move forward. Despite all that the health and wellness sector has endured, there is optimism about the appetite for change and innovation going forward.

ThinkLab relied on a powerful group of specifiers from the *Interior Design* Giants of Design to discuss the future of health and wellness. The insights gleaned from the panelists fall into five categories: economics, design process challenges, ecosystem evolution, sourcing products, and the rise of the savvy client. These stories — combined with *Interior Design* Giants of Design data — paint a powerful picture about the future of this sector.



KEY PLAYERS



The event was sponsored by Armstrong Flooring, which was given exclusive access to the event and collaborated on the topics of discussion.

SPONSOR ATTENDEES

Di Anna Borders, Vice President of Design, Armstrong Flooring
Julie Eno, Director of Commercial Marketing, Armstrong Flooring

FACILITATOR

Amanda Schneider, President, ThinkLab

GIANTS OF DESIGN PANELISTS

Panelists were hand-selected to represent a cross section of perspectives on the industry's current obstacles and initiatives.

They were asked to make **ONE BOLD PREDICTION** about what the future of healthcare might look like in 3–5 years. Here are their backgrounds and insights:



Christine Devens

Principal, AECOM

BOLD PREDICTION

“This past year has been transformative for healthcare facilities in terms of having to rethink how they deliver care. I think it has opened up an opportunity to innovate, and they’ll rely on our design expertise to guide them in design solutions that can support those new innovative ways of working.”



Mary-Jean Eastman

Vice Chair, Perkins Eastman

BOLD PREDICTION

“The New York region was pretty built out, so I think we will see a lot of backfilling and smaller projects. On the West Coast, we are seeing institutions proceed with larger projects, so I think the healthcare sector will be very busy going forward.”





Aimee Burmaster Hicks

Principal, Page

BOLD PREDICTION

"I believe we'll see continued crossover of market sectors, especially with wellness and projects of that nature. I think we're going to see an explosion of hospitality and workplace influence crossing into healthcare, and our clients will truly embrace it where they may have been hesitant before."

Margi Kaminski

Principal, Director of Health Interiors,
CannonDesign

BOLD PREDICTION

“Doctors’ private offices — previously the sacred cow of health office culture — are completely going away, and they’re talking about hoteling. I never thought I’d see the day!”



Eric Meub

Design Director, Health, HDR

BOLD PREDICTION

“We will see more and more hospitals take the leap into regenerative design. And by regenerative design, I mean sustainability and care of the planet but also the social equity side. Relating to the community is going to be more and more important.”

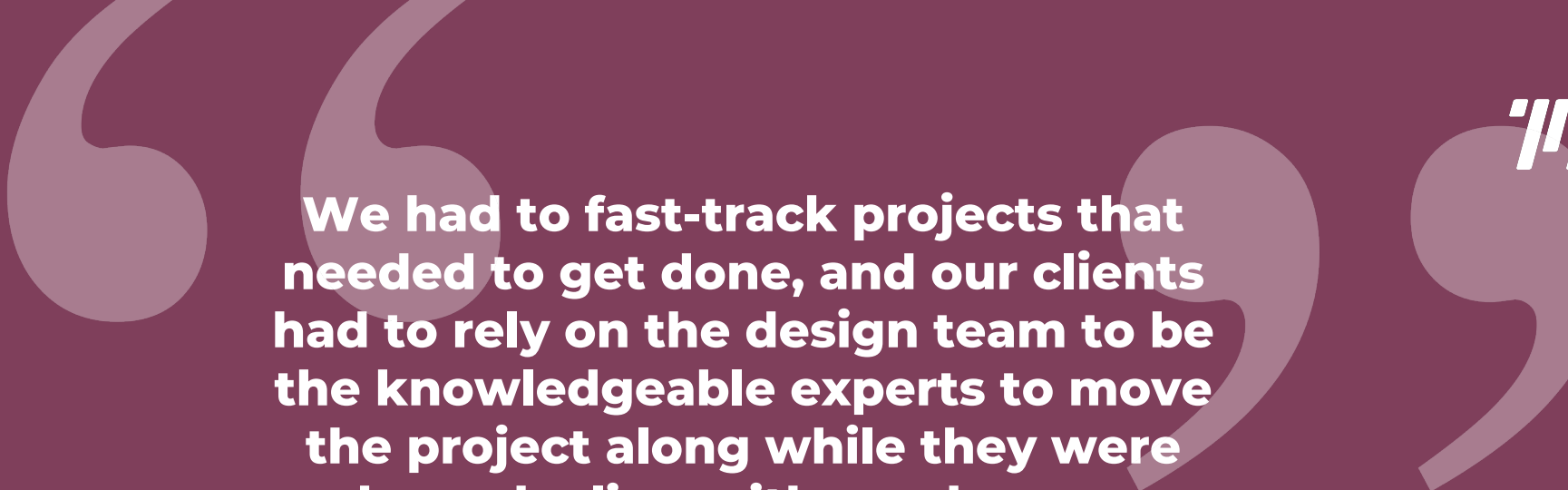


Randy Schmitgen

Principal, Interior Design, Flad Architects

BOLD PREDICTION

“I see remote working and telehealth as huge drivers in the next five years. With fewer people coming into the physical space, how do you solve for that while also getting people to share ideas and communicate effectively?”



We had to fast-track projects that needed to get done, and our clients had to rely on the design team to be the knowledgeable experts to move the project along while they were busy dealing with much more serious issues.

—Christine Devens
Principal, AECOM

ECONOMICS.

HERE'S WHY:

Overall, the top 100 *Interior Design* Giants of Design were down 8% year-over-year in revenue in 2020, and they project a 6% decline for 2021. The health and wellness sector fared much better, with 2020 fees up 30%. When we look at the projected 2021 numbers, we see an 18% decline year-over-year. But to put it in perspective, that's only a 5% decline compared to pre-pandemic numbers.

The projected decline for 2021 reflects projects that were cancelled in 2020. The health and wellness sector depends on acute-care hospital projects, because they are more likely to have add services and other ongoing changes that accumulate additional fees. Hospital projects account for almost half of the fees in the health and wellness category.

On the other end of the spectrum, some projects were accelerated for the pandemic response or to capture government stimulus funding. For the projects that remain on hold, a predominant reason continues to be a “wait and see” approach to building material costs. *Interior Design* Giants of Design insights suggest that cost will be a major driver in projects that come back online. Because budgets were cut, clients expect pragmatic solutions.

01

DESIGN PROCESS CHALLENGES



HERE'S WHY:

One of the biggest design process challenges for the health and wellness sector was mentoring junior staff in this virtual world. The formality of mentorship in our virtual world is missing the spontaneity of in-person interaction and the creativity it sparks.

The one-on-one mentorship that young designers thrive on can't exactly be replicated online. So, as the transition to digital becomes mainstream, panelists suggest that there truly was a decline in mentorship opportunities that needs to be solved for. Because clients in healthcare were so busy, they placed a great deal of trust in their design teams to make decisions on their behalf.

Insights from the panelists suggest that having a staff with a broad range of design experience would help as projects ebb and flow. A designer with a background in hospitality provides a unique perspective, while a designer with experience in the science and technology sector can easily bring their technical expertise to the healthcare realm. The panelists agreed that there is a major need for intermediate-level design talent.



I think ahead about walking through the doors of a pediatric project we've been working on, and how it was done entirely virtually. I think it's a real accomplishment for our industry and our designers individually. A lot of personal growth was made as well. I think resiliency was brought to the surface, and I don't mean to sound Pollyanna about it, but I really do think it was a huge silver lining for this past year.

—**Aimee Burmaster Hicks**
Principal, Page

How do you bring design from a research environment, or maybe an academic setting, into a healthcare environment? You know they are different, but the design is well-rounded, and it helps personal growth of all staff too.

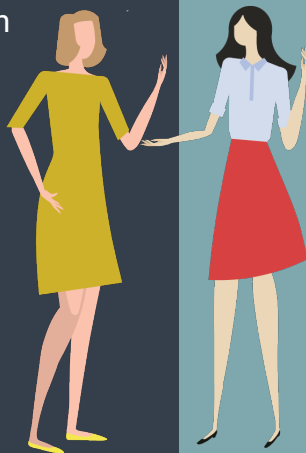
—**Randy Schmitgen**
Principal, Interior Design
Flad Architects



IMPLICATIONS FOR MANUFACTURERS

Mentorship is a challenge mentioned consistently across design sectors. What if your company facilitated an online mentor exchange? Imagine a platform where junior designers could mix and mingle with more experienced designers.

Invite a group of 6–7 participants, with a mix of junior and senior designers. Start with an icebreaker to get the group warmed up. Use a combination of verbal conversation and communicating through the chat function. Keep the conversation going afterward through a message board with on-demand Q&A so the entire group can benefit from the learnings. While this isn't directly about your products or services, you are facilitating a powerful exchange and providing the value of community to your clients.



IMPLICATIONS FOR A&D FIRMS



While the experience and specialty of healthcare design is important for staffing, adding a designer from hospitality or the science and technology sector was a successful strategy for several of the roundtable participants. One panelist told the story of how adding a designer from the hospitality sector “shook things up in the best way possible.”

With decision makers in the health and wellness sector reportedly pressed for time, short-staffed, or under other constraints, alternative delivery methods could be useful. A recent ThinkLab survey reveals that “communicating design ideas and solutions” is a top challenge for designers in this digital world. Asynchronous communication, such as a quick video recording, allows clients to review the information when they have time in their day vs. meeting at a set time over a conference call.

02

ECOSYSTEM EVOLUTION



Interior Design Giants of Design data tells us that senior living fees dropped significantly (-31%) year over year in the health and wellness category. Data from Grandview Research indicates that the U.S. assisted living facility market size was valued at \$83.2 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 5.3% from 2021 to 2027.

HERE'S WHY:

Senior living is a category that straddles the line between hospitality and healthcare, but it has historically been captured in the health and wellness category. ThinkLab data suggest more and more hospitality firms are taking on senior living projects, and the panelists confirmed that they are seeing the same trend.

Another interesting theme in the category of *ecosystem evolution* is firms in all sectors adding supplemental services through partnerships or acquisitions. health and wellness is no exception. One panelist mentioned that their firm had added services that stretch the traditional thinking of what's offered by a design firm, such as consulting and modular construction. This additional scope provides a broader solution for their clients under one umbrella.

We have stretched the outward bounds of what you would consider traditional architecture and design. Our firm acquired a firm that does design-build and modular construction, and we also acquired a consultancy. These are not traditional architecture, but these entities have really proven strong in the last year.



I think it's important to continue to look at senior living as people's homes rather than a healthcare facility. There is a major social and safety component, but sometimes you get the double-loaded corridors and it's very hospital-like. But at the end of the day, somebody's living there long term. We have to be careful about how we view that industry. It is not a healthcare situation.

—**Margi Kaminski**
Principal and Co-Director of Health Interiors,
CannonDesign

IMPLICATIONS FOR MANUFACTURERS

What was traditionally viewed as senior living has taken on new life. Facilities at the high end more closely resemble luxury resorts than healthcare facilities. The social and safety components are major drivers for the elderly to move into these spaces. Amenities and services are being curated to create convenience and help residents thrive.

To capitalize on hospitality making its way into both healthcare and senior living environments, find crossover opportunities to connect with these specifiers. Imagery and product offerings should speak to this sector specifically, at the intersection of multi-family, hospitality, and healthcare. As the specifiers handling these projects may be outside of the healthcare realm, map which firms are focusing on this category as a specialty. Specific teams or firms often handle senior living, with a growing number of the high-end projects going to hospitality firms.

ThinkLab.design

Health and Wellness Roundtable Summary, 2021



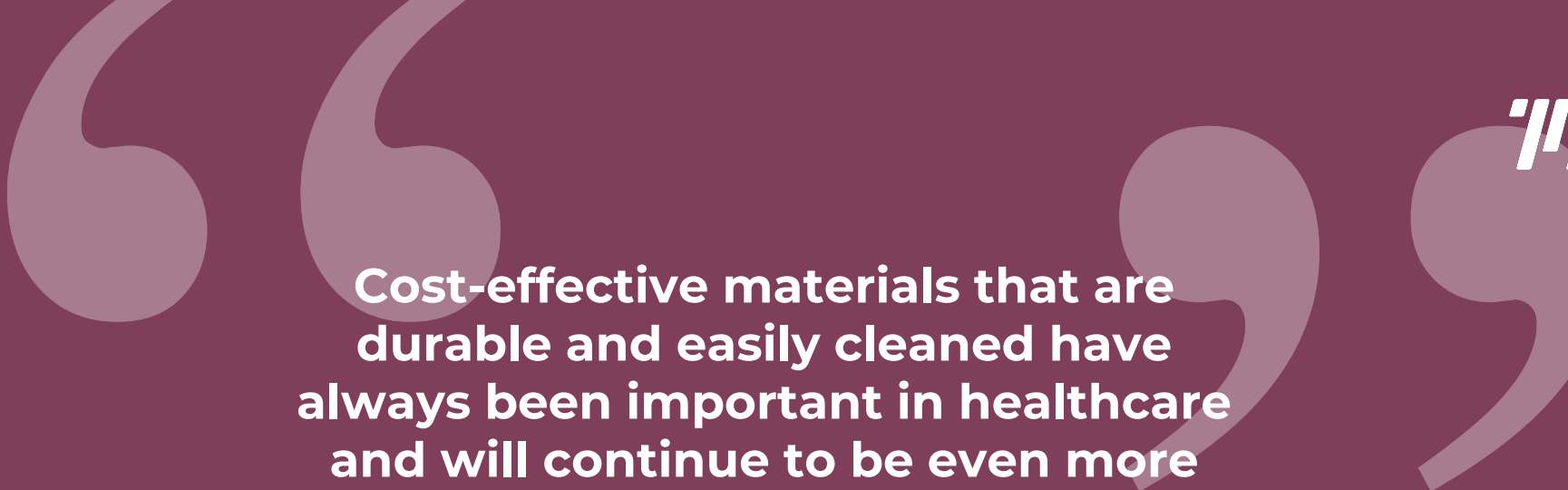
IMPLICATIONS FOR A&D FIRMS



According to Health Care Without Harm, the health sector would be the fifth-largest emitter on the planet, if it were a country. One panelist predicted that taking sustainable practices a step further through the concept of regenerative design would be a crucial part of the future of health and wellness. An article by HDR offers a useful explanation of this concept: “. . . our projects need to actively regenerate or contribute positive impacts to the people who use them and the local ecology that surrounds them.”

Hospitals are an important part of the community and should relate back to it, as stressed by one panelist. Hospitals are on the front line of both biological disasters and natural disasters. In programming, incorporate multiuse spaces to encourage connection with the community. These spaces could be planned to flex as future needs change.





**Cost-effective materials that are
durable and easily cleaned have
always been important in healthcare
and will continue to be even more
so going forward.**

—Christine Devens
Principal, AECOM

03

SOURCING PRODUCTS



Health and wellness influence is everywhere today. The need for products that can stand up to rigorous cleaning extends beyond just healthcare environments. At the same time, hospitality design is making its way into all sectors, driving demand for materials in a variety of aesthetics that don't feel sterile.

HERE'S WHY:

The influence of hospitality design on healthcare is driven by the focus on the *experience* of both patients and staff. While the concept of incorporating hospitality influences in healthcare isn't new, the panelists mentioned that it is still difficult to find products and materials with a hospitality feel that stand up to the rigorous demands of a healthcare environment. Additionally, having more creative options available in medical equipment and furnishings for patient rooms would be preferred.

On the topic of sustainability, one participant suggested that the industry needs to do a “deep dive” to define sustainability for these unique environments. Also, access to materials with a true environmental story was important to this group and will be a baseline requirement going forward.

The challenge is incorporating the hospitality feel in a healthcare environment where infection control is a huge component in our decision-making criteria for materials. We must continuously drive that design character with materials that will withstand the environment they are going into.

—Randy Schmitgen

Principal, Interior Design,
Flad Architects



IMPLICATIONS FOR MANUFACTURERS

Highlight the sustainability story of your products vs. just listing the individual technical attributes (which are still important!). Help demystify and clarify sustainability strategies in Health and Wellness through CEUs or other knowledge content for the industry.

As we see hospitality influences making their way into most sectors, it's a great opportunity to address this trend through your product development and marketing collateral. Where appropriate, show your existing offering in environments and finishes that have a hospitality vibe.

IMPLICATIONS FOR A&D FIRMS



The patient experience has expanded from solely in-person to digital + in-person. The future of a healthcare facility may not involve a waiting room at all, as patients utilize virtual check-in. Do outdoor spaces become the new waiting room? Or since hospitals are such an important part of the community, perhaps the patient has access to a common space that serves a dual purpose.

Here's one way to help demystify sustainability best practices within these complex environments: cross-functional committees within the firm could dig into each topic in bite-sized pieces. Each team could then share their findings on monthly calls. Additionally, a "lessons learned" event with other project team members helps the rest of the firm glean valuable insights from the process. This could also span sectors for cross-functional "a-ha" moments.



04

RISE OF THE SAVVY CLIENT



Insights from Giants suggest that healthcare clients are willing to entertain new ideas and “cross over” between industry segments more now than ever before. Because the decision-makers are so busy, they are relying on their design partners to help them make decisions, since they simply don’t have the time to give feedback in this environment.

HERE’S WHY:

The panelists agreed that their clients understand how important it is to retain staff with process innovation. Many existing spaces simply can’t support new healthcare delivery models as they are. An IFMA Benchmark report from July 2020 estimated 80% of healthcare facilities in the U.S. to be 21–50 years old.

Health and wellness clients are beginning to rethink the need for support services on campus, and they’re evaluating which of these really need dedicated space, let alone an on-campus presence. As a result of the rise in telehealth and other integrations in technology, even the physicians’ dedicated private office is being questioned, which is a major divergence from before the pandemic.

Providers want to catch up with the innovations in care delivery, especially with team-based care in ambulatory settings. And for providers trying to make that transition, it's not always easy to do in place, since the team may have a different module. From a structural point of view, it may be easier to build from scratch, in that case.

—Eric Meub

Design Director, Health, HDR



IMPLICATIONS FOR MANUFACTURERS

Flexibility within health and wellness environments will continue to be a hot topic. Highlight how furniture, architectural elements, etc., can flex with changes in virtual and in-person care models.

Curate “thought starters” for ideas and inspiration on how facilities can implement a modular planning strategy and respond as needed. While new construction of large-scale hospitals are still a major part of *Interior Design* Giants of Design fees, our panelists shared that many facilities will be renovating where infrastructure is already in place. Former malls and other retail spaces are being adapted for outpatient services and administrative facilities.

IMPLICATIONS FOR A&D FIRMS



Even before the pandemic, burnout in healthcare workers was a top concern for this sector. The National Institute of Health cites one in three physicians is experiencing burnout, on average. While the problem of burnout is complex and extends beyond the physical space, a focus on the well-being of staff can make an impact. Strategies include providing staff with areas for respite indoors and outdoors. Research has shown the positive benefits of mindfulness, exercise, peer support, and access to nature.

Taking lessons from workplace design, private physician offices and clinical spaces with a modular planning approach provide flexibility for patient ebb and flow. A larger proportion of digital wellness visits may reduce the number of dedicated exam spaces going forward.



With hospitals that are expanding into systems, you are working through very different visions. Sometimes, they want to replicate the mothership and see the same brand everywhere, but other times they want to know how to relate best to the locale and get to know the spirit of the place. But either way it brings up issues of brand and identity, and it causes our clients to look inward. These are fascinating discussions, because it helps them see what sets them apart and really discover who they are and what matters most. It's fascinating to see that happen.

—Eric Meub
Design Director, Health, HDR



CONCLUSION

With drivers such as telehealth, hospital system expansion, and care-model innovation, the health and wellness category is ripe for transformation. Healthcare facilities will see changes to support new models of care, patient expectations, and a rise in virtual healthcare visits.

01

CROSS-FUNCTIONAL APPROACH The different segments of design are seeing more crossover than ever. Hospitality's focus on *experience* is influencing healthcare and workplace design. Healthcare is influencing all sectors with a focus on cleanability and infection control.

02

SERVICE INNOVATION Space + people + technology have become the new cornerstones of design. It's no longer solely the in-person patient experience that's being designed for. The experience of staff and integration of digital patient care is a vital part of the conversation.

03

"HEALTHITALITY" Healthcare + hospitality. By taking cues from the hospitality sector, health and wellness spaces can design *experiences* for patients and staff to improve overall outcomes.

04

TRANSFORMATION IN CARE Healthcare environments are tackling many of the same challenges that workplace environments are. Topics include retaining staff, designing spaces that support more collaborative care models, and enabling the "mobile" physician who may no longer need a private office.