

## Medline's new boss has new bosses

The first CEO from outside the Mills family will answer to a board dominated by PE firms

By Katherine Davis

Newly appointed Medline Industries CEO Jim Boyle is tasked with leading the medical products manufacturer and distributor through its next phase of growth while also paying down a massive debt load left by a leveraged buyout two years ago.

Boyle, who was named chief executive in late June after a 27-year tenure at Medline, officially

begins his new gig Oct. 1. He is the privately held company's first leader not related to the founding Mills family, which launched Northfield-based Medline in 1966.

"Five years ago, the Mills family was very intentional about establishing the succession process," Boyle, 52, says during a recent interview at Medline's headquarters. "We've been working on this for a while. This



JOHN R. BOEHM

Jim Boyle

is a legacy I plan to continue."

But the Mills family no longer calls all the shots at Medline. Boyle reports to a board of directors dominated by private-equity firms that acquired control of

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## Renaissance of the Chicago steakhouse

New ones are popping up around the city, but they aren't the traditional white-tablecloth spots

By Ally Marotti

Chicago's steakhouse scene is entering a new era.

Throughout the city, at least half a dozen steakhouses have recently opened or soon will. They are not your traditional Chicago-style steakhouse, with white tablecloths, big cuts of meat and buttery sides. They are niche, modern and have crafted their menus not around exces-

sive beef consumption, but around moderation. The new school of thought: Instead of wowing the consumer with the size of the steak, impress them with the preparation.

There is Smoque Steak, which smokes its steaks before cooking them sous vide and searing them to order. There is Asador Bastian, a Basque steakhouse that works

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How a remote and hybrid workforce can and should change workplaces, neighborhoods and the city | **PAGE 11**

### DAN MCGRATH

Through triumph and setbacks, the smart and witty Rocky Wirtz did well by this town.

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### REAL ESTATE

The Old Post Office's owner looks to defy a brutal market with a new project.

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# A REMOTE POSSIBILITY

Debates around hybrid work push governments, landlords and companies to reconceive what makes a dynamic and desirable workplace | **By Margaret Littman**

In 2019, says Mark Rickmeier, CEO of product innovation firm TXI, his company had “the best-smelling office in Chicago.”

Working together in their West Loop office was essential to the TXI culture. An on-site chef cooked daily for the then-40 employees. There were “bacon days” and cooking classes. “It was a great reason to be in the office because you’re being so well taken care of and having that fun vibe in the space,” Rickmeier remembers.

When the coronavirus pandemic hit and

people had to work from home, the company chef started making food to deliver to everyone’s houses. Even then, Rickmeier thought it would be temporary: There was no way TXI wouldn’t be back under one roof.

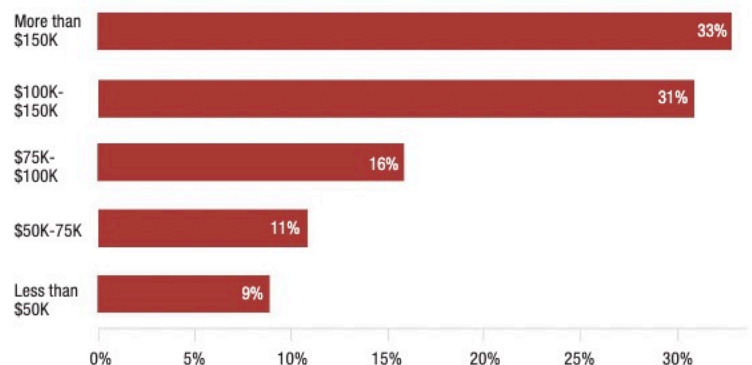
As the pandemic and the economy changed, so did things for TXI. The company, which now has about 75 employees, hired some staff who weren’t based in Chicago. Then, after 18 years in the West Loop, Rickmeier didn’t renew the lease.

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### Work from home by employees’ income

People who prefer to work from home are typically in higher income brackets

■ Respondents who strongly prefer to work from home



Source: McKinsey Global Institute analysis

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# REMOTE

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"But I was still pretty convinced that people wanted to have a regular office space to go to," he says. The cities in which TXI staff were located all had WeWork spaces, so Rickmeier bought WeWork memberships for everyone and signed up for a shiny glass WeWork office in Chicago.

"It rarely got used," he says. Staff missed working together, but they didn't want to have a long commute to go to a WeWork space to sit alone in a co-working phone booth for most of the day. "We did a yearlong experiment and ultimately decided to not continue it. What we've discovered is that humans, at least in our company, want to be together. But paying rent is a poor way of fostering connections. It's kind of not a very efficient use of capital," Rickmeier believes.

Now TXI employees are scattered in different cities, and the company invests in different initiatives to keep them engaged, connected and creative.

While some folks are still focused on the "will they or won't they" question about whether employers will mandate that staff be back in a central office five days a week, workplace experts, business owners, architects, designers, academics, employees and others say this is not the right question. The question is how stakeholders — city and suburban governments, landlords, employers and employees — can help build dynamic workplaces and neighborhoods. And that's

## While Chicago is not as tech-centric as San Jose, Calif., it does have a larger percentage of jobs that can be done remotely than other cities.

— Jonathan Dingle, associate professor of economics at the University of Chicago Booth School of Business

the conversation that Rickmeier feels TXI is part of.

It's absolutely no secret that Chicago and its suburbs have a lot of vacant commercial real estate, not just downtown but also in the neighborhoods. A recent report by the McKinsey Global Institute found that while office attendance in Chicago and other cities "appears to have stabilized, it remains below pre-pandemic levels."

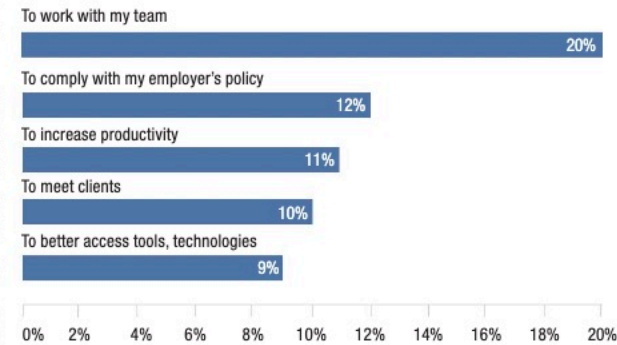
While Chicago is not as tech-centric as San Jose, Calif., it does have a larger percentage of jobs that can be done remotely than other cities, says Jonathan Dingle, associate professor of economics at the University of Chicago Booth School of Business. The national average of jobs that can be performed remotely is 32%, and Chicago's figure is 40%.

Dingle notes it was 34 years ago

## Reasons for working in the office vs. at home

Employees with flexible work arrangements were asked in a McKinsey survey to explain their top reasons for working in the office and at home.

### Top reasons for working in the office



Source: McKinsey Global Institute analysis

Note: Respondents were asked to name their top reason. Only the five most popular responses are shown.

that management guru Peter Drucker said commuting to the office was "obsolete." Obsolete may be extreme. If 40% of Chicago area-jobs can be performed remotely, then 60% cannot. But the way offices and the neighborhoods around them look are changing and should continue to do so. (See Crain's ongoing look at return-to-office numbers for weekly updates.)

### Design for the culture

Kristin Cerutti, a Chicago-based regional design leader at design firm Nelson Worldwide, says a lot of clients are asking the same questions, but the answers are different for everyone.

"What I tell clients is the only thing your physical office offers that no other space offers is your people. I can go work at Starbucks and get a lot of what you offer in the office. I can work from home. I can go work from someone else's house or from the park. But the only thing that I truly get when I come to the office that I can't find anywhere else is the other people that work in my organization," Cerutti says.

When helping clients figure out how to redesign office space or reduce the square footage of a lease, she says, "we have to find what that thing is that's unique to them that's going to draw their people in."

The majority of Nelson clients are signing on to an average of 40% less square footage than they would have if they were starting the same project two to three years earlier, she says. Even those who are keeping large footprints are thinking about those spaces differently, such as not having a dedicated desk for everyone on payroll.

"We even have a law firm who

recently just moved in, and 75% of their seats are unassigned," Cerutti says. "That's practically unheard of in a law firm scenario."

Cerutti encourages clients to understand what employees are feeling when they are asked to make changes. Are they worried about cleanliness if they are sharing a desk? Not having somewhere to store their stuff? Commuting into an office only to spend the day on Slack?

Once you understand what your office culture needs, design the space accordingly. Simple fixes include designating zones. Even if people don't have assigned desks, the office can be arranged so that certain departments have specific areas, but folks can grab any desk in that area. That allows people to work collaboratively with their team, but not have to have workstations sit unused. Cerutti says some clients are consolidating coffee and water stations so that people are forced to unintentionally bump into each other as they go to fill up.

"Your office needs to function more like an airport lounge or a hotel lobby than an office space," she says. "Those types of areas have proven that you can have thousands of people access them on a daily basis. And very rarely do you ever get a scenario where a bunch of people show up and don't have a place to go. It's just changing the mindset a little bit on space."

It is not just the physical spaces that may change, but the furniture in them, too. As Crain's reported, exhibitors at the annual NeoCon convention in Chicago showed adaptable desks designed for collaboration, acoustical pods for private phone calls and collapsible walls for changing workplace sizes.

Co-working spaces, too, are part of the overhaul. As TXI discovered, many employees don't want to be siloed in offices or working side by side (albeit quietly, with headphones) in an open



TXI employees work together at the Bond Collective co-working space at the Civic Opera Building. | PHOTOS BY JOHN R. BOEHM

room where no one interacts.

At Itsy Bitsy Play & Cafe near Lincoln Square, parents can use co-working space while a "playmaker" takes care of kids at the on-site playground, an example of a space that offers something not available at home.

Mike Healy, co-founder of Guild Row, an Avondale co-working space with a nonprofit, community-building focus, sees spaces such as his working more like a "student union" than the traditional rent-a-desk co-working space of a decade ago.

"We've become Gene & Georgetti 2.0," he says. The ebb and flow of the 800 Guild Row members has changed since the space opened in 2020. Now, he says, it is more like a health club, where certain times of the day welcome the masses while other periods are less crowded, rather than people sitting in a chair from 9 to 5.

Healy is proud that connections at Guild Row have led members to get jobs, to join nonprofit boards and otherwise contribute to relationship-building and other factors in Chicago being a dynamic city. Guild Row members come from neighborhoods from Roscoe Village to Bronzeville, and he sees spaces like Guild Row contributing to "the city's cultural

pipeline." If fewer workers go downtown for the long term, he wonders whether spaces like Guild Row in neighborhoods will become like the Economic Club of Chicago and other institutions that were downtown for decades.

### Change in patterns

When TXI jettisoned the WeWork expense, it started a number of other programs, including Work from H.O.M.E. That's an acronym for "hang out, meet and experiment." TXI employees occasionally work in each other's neighborhoods. Employees take turns hosting, showing co-workers favorite coffee shops and the places they work and get inspiration. The program helps people feel connected not only to their co-workers but to their neighborhoods.

As fewer people head to a downtown office job five days a week, the businesses that have supported those workplaces will have to adapt, too.

Sara Neuner, who works in communications at Northwestern University's Feinberg School of Medicine in Streeterville, noticed her shopping and dining out patterns change. Neuner lives in Oak Park, and when she first started



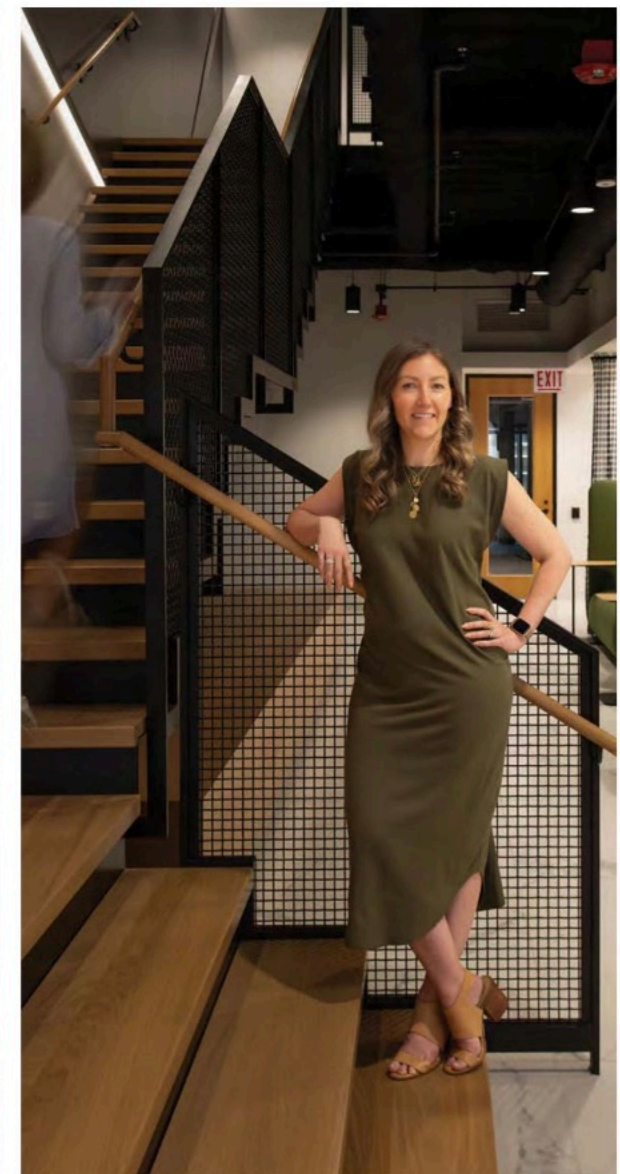
From left: Mark Rickmeier, CEO, Cameron Silver, senior software engineer, and Jason Liao, software engineer, all of TXI, work together at the Bond Collective co-working space at the Civic Opera Building.

going back to the office on a hybrid schedule, she was driving, in part because the el trains did not have a reliable schedule. That drive meant less shopping downtown because she was missing the 30-minute window shopping

or errand opportunity between the office and the train.

Bevan Bloemendaal, chief brand and creative officer at Nelson Worldwide, focuses on retail design and sees opportunities for "beautiful moments of collabora-

tion" in retail spaces. Just as offices have to think about what they can offer employees that the home office cannot, retail spaces need to think about what they can offer customers so they feel like they are part of the commu-



Kristin Cerutti is a Chicago-based regional design leader at design firm Nelson Worldwide.

nity and not just another online order.

Bloemendaal imagines an urban environment where ground-floor commercial space can be used by pop-ups such as the immersive Van Gogh experience, Meow Wolf and other activities that will make people want to go to those areas. Retail spaces that function more as showrooms than warehouses can offer customization and entertainment options. Those elements may get people jazzed about interactions they can't have online.

At TXI, part of the funds not being used for rent are spent on onboarding new employees in a way that helps them feel connected and learn the company culture (the former office chef now heads that effort).

Farpoint Development co-owner and Principal Regina Stilp agrees that this aspect is crucial to a healthy workplace. Leaders need to think about building spaces that foster mentorship as part of collaboration. Employees who went to college during the pandemic, for example, may have had limited experience with

in-person classes and in-person group projects. Asking them to onboard and develop skills remotely isn't good in the long term — for them or their employers.

To make that happen, it is incumbent on C-suite executives to show up, Stilp says. "One of the greatest assets in an office is senior leadership. You can't be in your house in Florida and expect everybody else to come into the office."

Not everyone sees adapting to remote and hybrid schedules as the way of the future. Tom Gimbel, founder and CEO of LaSalle Network, a Chicago-based staffing firm, predicts that by the fourth quarter of this year, fully remote work will be a memory and hybrid work will be more in office than not, perhaps with what used to be "casual Fridays" now "remote Fridays."

"Remote work is terrible for the city. It is detrimental for the long-term development of the city," Gimbel says, citing the decline in businesses like coffee shops and restaurants that relied on downtown workers. "That is part of the fabric of the city."