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Space Optimization for the Way We Work

Presenters

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Gensler is a global architecture, interiors, planning, and strategic consulting firm that partners with companies to achieve measurable business outcomes through design.

Presentation Overview

Is there a connection between space optimization, the way we work, and business performance?

In our view, yes. We have seen that aligning changes in the workspace with the way people work has the power to drive business performance to higher levels.

Understanding the connection, generating viable solutions, and realizing the benefits can be a difficult and complex undertaking. The business environment we work in today is altogether a different place than a few years ago, significantly altered by economic, political, and social events. The way we work and where we work continues to change.

Increased collaboration, accelerating technology, mobility programs, sustainability considerations, cultural values, and demographics are among the many factors and trends that affect space decisions and work practices.

Why do people come to the office? What are the ramifications for new building and workplace design? How do you measure the value? These are some of the questions that we strive to understand to support high performance workplaces for our clients.

Thinking has evolved since the earlier diagram of people, technology, and place (P-T-P) was used to explain the importance of real estate. Now it is clear that people are at the center, closely coupled with accelerating technology. And, in response to a changing work environment, the P-T-P model has become a five part, interdependent framework. Alongside the original three; culture and sustainability are now part of the conversation.

For many companies, cutting space is a simple way to reduce the bottom line. We feel this approach should not be prioritized over creating value through space optimization. During the downturn many used the term compression or contraction. The truth is; space is already cheap in comparison to the cost of people. The annual cost of space typically comes in around eight to ten cents on the dollar. The cost of space only feels expensive

because we still have a hard time proving that it has value. So companies would just as soon see costs go to zero if they could.

Today, as the workplace changes, we need to help companies change with it, to where they can optimize the greater value of space. Rather than focus solely on the financial implications of the physical asset, we should understand how people use the workplace, behavioral influences, and the opportunities to create space that enables higher productivity, ultimately driving greater benefit to a company's bottom line.

There is growing evidence that you can optimize space and improve company performance by providing better work environments that support productive work practices. If you can support people to be more productive and increase profitability you expand the conversation beyond cost to overall value to the company. We often refer to this as moving the conversation from currency to capital – innovative, social, productive and intellectual capital. If we can get past our intuition to support the value proposition, then we have a better chance that clients will act positively on the data.

There are various tools and research we use to explore this value proposition and build a case that describes the way people work, alongside the positive and negative impacts of space optimization. We look at who is assigned to the space, how they think they use the space, and how they actually use the space. From this baseline we study options, utilization rates, protocols and work practices. Coupled with on site observations, benchmarks, and research it is possible to better understand the relationship between the way people work and space optimization alternatives.

There are new design strategies constantly being developed. Within our practice we have seen space optimization take different directions when implemented. Coupled with the rapid changes in the way people work, we are seeing exciting new trends emerge. The best of both worlds would be to optimize the workplace, thereby saving money with quantitative proof and measurement, while enhancing the way people work to improve productivity. The result would be more efficient and effective work environments.

We are constantly researching, testing ideas and building knowledge that supports this shift. We see strong correlations but stop short of suggesting cause and effect relationships. One area to be further explored is the role of change management to positively engage the workforce during a space optimization project and measure its contribution to overall performance.

Going back to an earlier comment, space is cheap when compared to the cost of labor and if we can demonstrate increased productivity, something like 20-30 minutes per person per day, we will have more than paid back the investment in space. A one to two percent increase in productivity would drive the cost of space close to zero. That's a worthy goal.

Think about what the improvement in productivity is really worth to a company if you could translate the design solution to the income statement or balance sheet. In the past, with compression, we were focused primarily on efficiency, today; with optimization we add productivity measures, effectiveness and overall value to the enterprise.

Finding the right balance of how people use the workplace, whether it is for focusing independently, collaboration, learning, or socializing is a challenge. When the right solution is found, the organization is able to leverage their technology investments, drive innovation, increase networking, retain talent, and support cultural shifts. And, if it adds up to 20-30 minutes, per person per day, it's a home run for the organization as well as for the workforce.

By rethinking the gain of ten cents on the dollar from real estate cost reduction and instead seeing optimization as a lever for supporting the way people work you probably gain more than double the money in increased productivity.

In our experience outcomes are different for each client depending on their particular circumstances, workforce type, and market influences. Some of the key success factors to support greater success include; coaching internal champions, understanding the cultural climate, having adequate time to research, applying the proper measurement tools, engaging change experts, and learning to talk to senior level management in language they understand.

We must not forget that for many organizations; real estate, facilities, and the workplace are often considered non-core however necessary to a company's mission. For this reason we need to align the optimal space solution and associated work practices to the company's objectives and adopt an enterprise perspective.

It is not enough to demonstrate cost benefits; these must be coupled with increases in productivity that drives results. Space optimization aligned with the way we work is as much a strategic tool for higher business performance as a tactical tool for cost reduction.