

# **Delivering Outstanding Value with Alternative Workplace Strategies**

## **Tips and Techniques for Facilities Managers and Space Planners**

### **A White Paper**



The #1 Solution for Real Estate, Infrastructure, and Facilities Management in the World

## Alternative Workplaces Inevitable... and Indispensable

Alternative Workplace Strategies<sup>1</sup> (AWS) have cemented their place in the mainstream of strategic business planning for companies worldwide. In a recent survey of seventy corporations across North America and Europe, corporate decision-makers reinforced this acceptance of AWS. In the survey (CBRE EMEA Research Group Consulting, 2013/14), close to 50% of respondents considered flexible workplace options -- especially telework/telecommuting -- important for attaining a high quality working experience for their staff. Further, the respondents showed a keen understanding of the benefits AWS could deliver across their enterprise organizations, beyond just the benefit of lower real estate costs. They cited enterprise-wide benefits such as greater employee attraction and retention, improved work/life balance and productivity, and maintaining business continuity as being important goals that drove them to adopt an alternative workplace strategy. Figures A and B in the Appendix illustrate these survey responses in detail.

It's not just private sector organizations that are taking advantage of AWS. State and federal government agencies are also seeing the value of AWS at a time of shrinking budgets and a focus on quality of home/work life issues. The federal government's General Services Administration, for example, is reducing space needs and improving worker satisfaction through telecommuting programs and hoteling strategies.

## Goals of the Facilities Manager in an AWS Environment

With AWS gaining the attention of senior management, facilities managers and space planners have to develop and implement alternative workplace strategies that deliver the benefits expected by management, yet are not cumbersome to implement and manage. Selecting an appropriate workplace strategy depends on a variety of factors such as departmental or functional needs, frequency of occupant visits, a building's structural layout, the ener-

***A well-designed  
and well-implemented  
Alternative Workplace Strategy  
can deliver benefits that extend  
across the enterprise.***

gy needs of equipment, and the building's environmental profile, among many others.

Numerous alternative workplace arrangements (General Services Administration, 2012) have evolved, some of which include hoteling<sup>2</sup>, team spaces<sup>3</sup>, free addressing<sup>4</sup> -- also known as touch-down space or just-in-time space, benching<sup>5</sup>, and activity-based workplace arrangements. Regardless of the type of workplace strategy selected, the facility manager's goals do not change. Improving productivity and collaboration, ensuring access between building occupants and external business collaborators and vendors, ensuring occupant safety, maintaining a sustainable work environment, and delivering financial and operational benefits that justify the transition to the selected AWS will always remain primary objectives.

## Maximizing the Benefits of an Alternative Workplace Strategy

The selection of a specific alternative workplace technique that best meets the needs of an individual organization is a subject for a separate discussion. In this paper, we will review useful techniques that space and facilities managers can use to maximize space utilization in an AWS environment, all with an eye towards meeting the goals mentioned earlier. We will focus our attention on two popular workplace techniques, namely Hoteling and Team Spaces. Additionally, we will review some metrics and benefits that an alternative workplace environment must deliver. We will also introduce the concept of workspace transactions and review how they can be used to increase the value of an alternative workplace implementation.

## Hoteling

Hoteling allows facilities managers to establish a mobility ratio<sup>7</sup> of less than 1 at any given time. In general, the lower the mobility ratio, the less space is needed to support the workforce at a given site.

Let us review some techniques that help maximize the benefits of hoteling.

### Determine the Appropriate Number of Rooms Designated for Hoteling

It is good practice to designate specific rooms for hoteling, and to exclude these rooms from assignment as permanent offices. This allows the facilities manager to know exactly where specific short-term occupants are seated, and makes it easy for hoteling rooms to be identified and reserved by occupants.

Further, the facilities manager can better monitor utilization of the hoteling rooms, and use this information to increase or decrease the number of designated hoteling rooms based on demand. For example, a project that employed outside consultants may have just ended, and the consultants have moved out of their hoteling rooms. The facilities manager can decide if the freed rooms can be kept on or taken off the hoteling room list.

### Use Value-Driven Criteria to Pick Locations for Hoteling Designated Rooms

Determine the factors that are most likely to promote a high level of productivity from the occupants of hoteling rooms. If necessary, ask the occupants or their supervisors about their specific needs related to the hoteling rooms they will be assigned. Perhaps the occupants prefer rooms with a high degree of privacy or low levels of surrounding noise. They might perhaps request that certain team members, for example, be seated in adjacent offices due to the anticipated high level of collaboration between these occupants.

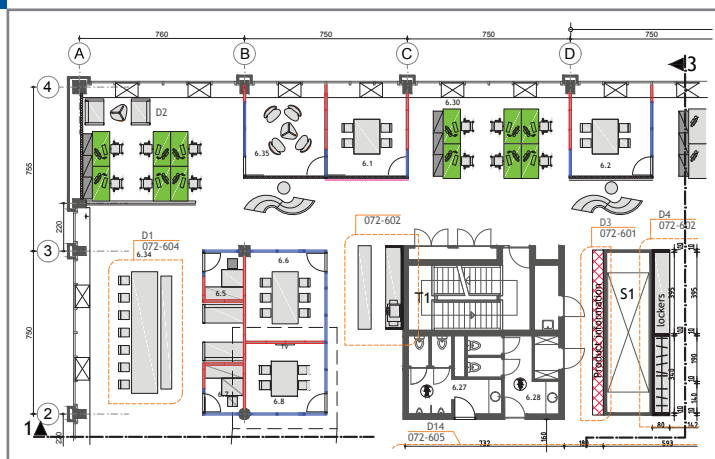


Figure 1: Clustered hoteling rooms promote collaboration, can be found and booked faster, and simplify reporting

As a rule of thumb, group hoteling rooms in clusters on a floor. Besides fostering collaboration within occupants of a project team, such clustering has other benefits. Facilities managers can find and view room reservation and occupancy details faster within an enterprise-class automated space management system that provides graphical views and tabular details about room occupancy. Occupancy reports get simplified, avoiding the need to print individual occupancy reports or floor plans for isolated hoteling rooms on different floors or in different buildings. Facility occupants benefit by avoiding a “treasure hunt” for that greatly needed hotel-designated room.



## Simplify the Room Booking Process

Drive faster adoption of hoteling by simplifying the booking process for hotel-designated rooms. This will lead to a faster realization of the benefits of hoteling. Key to this simplification is implementing an efficient workflow that begins with a request for a hoteled room and ends with the release of the hoteled room.

Provide a “self-service” booking capability within your space management system. With self-service, the requester does not have to wait for a supervisor or administrative assistant to begin processing the request. New requests are immediately and automatically routed for approval to an approving manager specified in the workflow. It might be possible to simplify the booking process even further, by configuring the workflow in your space management system to grant automatic approval for certain kinds of space requests. These could be hotel room requests for a short duration of less than one week, or requests made by senior management staff.

## Use Performance Metrics to Meet Your Objectives

Among other metrics that should be established, managers should, for example, define hoteling metrics that help to accurately evaluate the performance of the hoteling strategy. Furthermore, ensure that your space management system is implemented to automatically calculate and generate the desired metrics using the space and occupancy data stored in the system. This automatic and instant availability of metrics information from your space management system will save you hours and possibly days of tedious manual calculations.

You may already have programmed into your space management system target utilization<sup>8</sup> rates for individual rooms, rooms by building, or rooms assigned to individual departments. With the introduction of hoteling, metrics for hoteled room use become necessary to gauge the success of your hoteling implementation.

The table below lists metrics (ARCHIBUS Inc., 2014) commonly used to measure performance of the hoteling strategy.

Metric	Description
Hoteled Utilization by Room	Compares the time that a hoteled room is available during a month to the total time that the room was booked in that month.
Hoteled Utilization by Building	Compares the time that all hoteled rooms in a building are available during a month to the total time that all those rooms were booked in that month.
Hoteled Utilization by Department	Compares the time that all hoteled rooms assigned to a department are available during a month to the total time that all those rooms were booked in that month.
Hotel Savings by Department	Compares the total number of unique employees who booked seats by department to the available seats. For example, for a given time period, if 10 different employees used 4 available seats, the savings were 6 seats.
Hotel Savings by Building	Compares the total number of unique employees who booked seats by building to the available seats. For example, for a given time period, if 10 different employees used 4 available seats, the savings were 6 seats.

Table 1: Common Metrics used to measure performance of the Hoteling Strategy

## Use Hoteling to Meet Overall Space Occupancy Objectives

Hoteling metrics provide the facilities manager with an excellent grasp of how well the hoteling strategy is working for the hoteled rooms themselves. However, hoteling is just a lever that the facilities manager must use to improve space utilization and the occupancy rate for an entire portfolio of buildings.

Thus, for a given building, it helps to monitor the occupancy rate with hoteled rooms included, and separately with hoteled rooms excluded. A well-designed, enterprise-class space management system can provide easy to follow graphical comparisons that provide the required occupancy rate information. If the overall building occupancy rate with hoteled rooms shows the desired improvement over the building occupancy rate without hoteled rooms, this can indicate that hoteled is an appropriate workplace strategy for the building.

***Compare building occupancy rates with hotel-designated rooms included, and excluded, to understand the effectiveness of the hoteling plan.***

If the desired improvement in occupancy rate is not observed, the cause needs to be investigated. Some possible reasons might be: a lower number of mobile occupants than initially forecast; a high level of abandonment or cancellations of hotel room bookings by requestors; or an oversupply of hotel-designated rooms.

## Factor in Custodial and Maintenance Scheduling

Custodial services and maintenance of hoteling-designated rooms might have to be scheduled differently from rooms not designated for hoteling. Occupants of hoteled rooms might be at work during non-standard work hours, preventing custodial services from being carried out. Similarly, servicing maintenance work requested from these room occupants might also present scheduling conflicts. By utilizing scheduling windows within your facilities maintenance management system, custodial and maintenance staff can plan their work for these hoteled rooms accordingly.

Further, if hotel-designated rooms are set up in a cluster, custodial and maintenance staff might be able to service multiple hoteled rooms in a single visit, saving them time, and lowering the labor costs for the facility.



## Team Spaces

Team spaces are another type of workplace arrangement that provides numerous benefits to both occupants and facilities managers. The open seating arrangement allows team members to move freely within the team space and exchange information with others. Team members can meet in smaller informal groups within the space, without having to depend on the availability of a designated meeting room. Thus, team spaces are ideal for occupants who perform highly collaborative work as part of project teams or departments.

In the case of hoteling, room reservation data provides the facilities manager with information about individual rooms, their seat availability, and the associated occupancy rates. On the other hand, team spaces, by their very design, do not provide occupancy information about each seat within the team space. Thus, facilities managers do not have to manage the allocation or monitor the availability of individual seats within the team space. This reduces the workload of the facilities manager. At the same time, this benefit introduces one challenge that must be addressed: emergency preparedness plans must specify adequate procedures to ensure that team space occupants are traceable and can be accounted for in the event of an emergency.

We will now look at some useful ways to maximize the benefits of team spaces.

### Understand Team Requirements Before Allocating Team Space

A team space must meet the needs of an entire department or group. Reversing the inappropriate assignment of a team space is considerably more disruptive to the organization than reversing the assignment of a single room to an individual occupant. Take the time to discuss the needs of the team with the team leader or project manager. These needs might be common to the entire group, such as requiring close proximity to another team in the same building. Furthermore, individual team members might have unique needs, such as requiring convenient access to the handicap accessible bathroom.

By gaining an understanding of team needs, you will be able to assign the most suitable space to a team.

### Establish Appropriate Employee-to-Seat Ratios

Employee-to-seat ratio<sup>9</sup> for team spaces requires particular attention from the facilities manager or space planner. It is desirable to define separate employee-to-seat ratios for each unique team space allocation within a facility. This is because individual teams may have different occupancy characteristics. Moreover, a team that has smaller subsets of members occupying the team space at any given time might be assigned a higher ratio, while a team of identical headcount but one that has a larger subset of team members occupying the team space at any given time might be assigned a lower employee-to-seat ratio. Figure 2 is a depiction of this scenario. Higher employee-to-seat ratios can potentially improve space utilization. However, taking a conservative approach to assigning employee-to-seat ratios will ensure that a team member is never stranded without a seat.



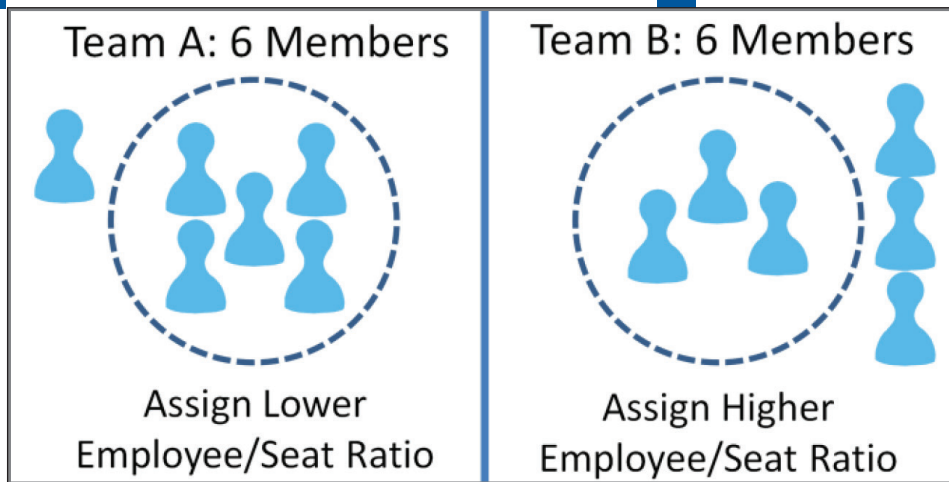


Figure 2: Example depicts how team space occupancy characteristics impact Employee/Seat Ratios

### Use Changes in Team Space Occupancy to Allocate Space More Effectively

Each team assigned a team space will have occupancy characteristics that are specific to its function or task. Thus, it becomes important to monitor team spaces for changes in occupancy by the assigned teams.

Occupancy changes within a team space may occur due to a variety of reasons: a team member joins or leaves the team; or the maximum number of team members occupying the team space at any given time changes. Both these cases might require a reconfiguring of the employee-to-seat ratio.

In the first case, your space management system should automatically calculate the most current employee-to-seat ratio when an employee is added to or removed from a team space. The facilities manager can decide if the newly calculated ratio meets the needs of the team.

The second case is more challenging to track because team space headcount has not changed, even though the maximum number of team members occupying the team space at any given time has changed. You can meet this challenge by conducting a periodic audit of team spaces

to obtain current occupancy status. In the absence of a space audit, the facilities manager or space planner can communicate informally with the team leader to learn about changes in team space occupancy.

### Seek Opportunities to Adopt Clean and Green Practices

Team spaces offer facilities managers a tremendous opportunity to improve the sustainability footprint for the organization.

Sharing technology such as printers and audio-visual equipment within the team space can lower energy consumption. Energy consumption can also be reduced by lowering lighting levels and reducing the load on HVAC equipment servicing the team space, when team members have left the space. A recycling bin assigned to a team that generates a lot of paper waste can improve the sustainability footprint for the organization. Discussing sustainability objectives with the team leader can uncover new sustainability initiatives that the organization can implement across all teams.

## Workspace Transactions

A workspace transaction is an action that has been performed on a specific workspace at a specific time. Details about this “transaction” are recorded and preserved for future analysis by the facilities manager and other organizational stakeholders.

Examples of actions that might be recorded as workspace transactions include: *space inventory allocations, changes in room occupancy, occupant moves between rooms or locations, actions on alternative workplaces such as hoteled rooms, and requests for space by occupants or departments.*

### Benefits of Workspace Transactions

- Identify opportunities for reduction in real estate footprint
- Maintain alignment between space allocation and the organization’s strategic goals
- Ensure accurate space chargeback to departments or projects using verifiable transaction data
- Plan for future space and occupancy needs with confidence
- Record transaction information without impeding performance of facilities management system

## Workspace Transactions

The accompanying sidebar introduces the concept of a *workspace transaction* and highlights its important benefits. Workspace transactions can raise the value of an alternative workplace implementation at a site, when implemented within the space management system.

Let’s consider for example, that workspace transactions have been activated with hoteling, and an outside consultant uses a hotel-designated room. The consultant’s chargeable hours can be confirmed by reviewing the transaction information for the hoteled room the consultant was using.

A similar example can be envisioned with team spaces. With workspace transactions recorded, the periods of ownership of the team space by a specific team can be confirmed and reported to grant or chargeback programs.

## Move Your AWS Forward with Confidence

With a keen understanding of the value delivered by utilizing the tips and techniques presented in this paper, you are now better equipped to launch your alternative workplace implementation on a solid foundation.

Your space management system should support AWS goals deliver the metrics and performance data necessary to easily evaluate the efficiency of your workplace strategy.

Once you have selected a particular alternative workplace strategy that fits your organization’s needs, bring your space management system provider into the discussion. Give the provider as much detail as you can about your goals for the AWS and the occupancy patterns of your occupants and teams. With the help of your provider, develop automated workflows for requesting, approving, and releasing spaces that make it easy for the workplace strategy to be accepted and adopted throughout your organization.



## Appendix

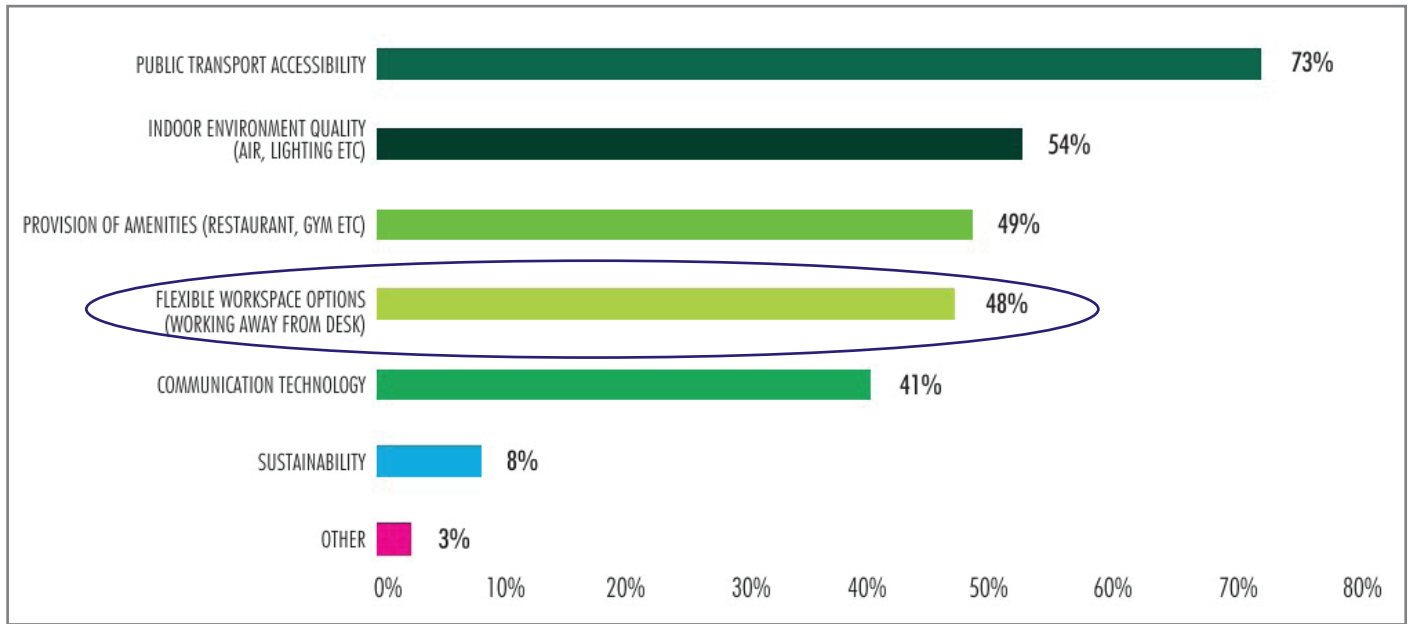


Figure A: *Workplace features most important to organization's workforce*  
Source: CBRE

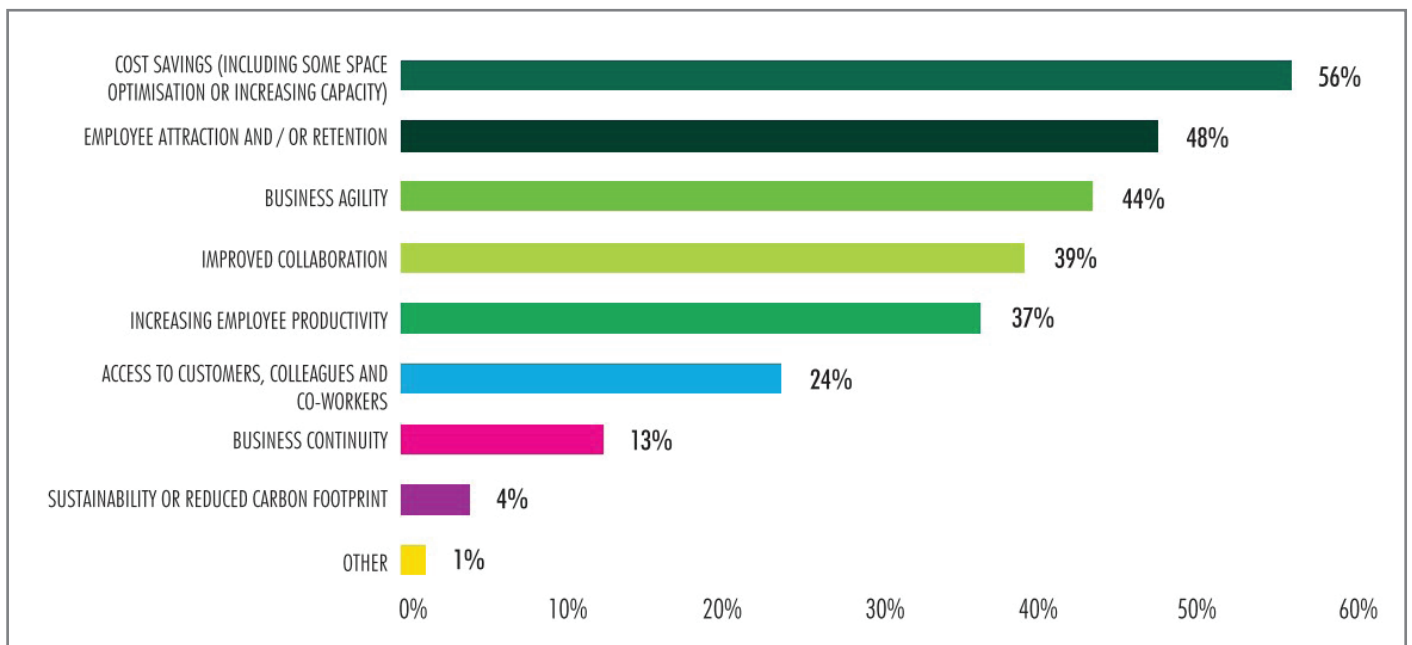


Figure B: *Main Drivers of Alternative Workplace Strategy*  
Source: CBRE

## References

*ARCHIBUS User's Guide.*  
**ARCHIBUS Inc.** (2014).

*European Occupier Survey.*  
**CBRE EMEA Research Group Consulting.** (2013/14).

*Workplace Standards Benchmarking.*  
**General Services Administration.** (2012).

## Glossary

<sup>1</sup> **Alternative Workplace Strategies:** A combination of creative and utilitarian space arrangements that serve to lower the total cost of property ownership and raise productivity and collaboration among facility occupants. These goals are achieved primarily by maximizing utilization of existing space, but not at the expense of individual or team productivity.

<sup>2</sup> **Hoteling:** The practice of providing temporary seating to employees on an as-needed basis through a formal reservation system.

<sup>3</sup> **Team Spaces:** Also known as *neighborhoods*. Team spaces are selected areas within a facility that are allocated to entire teams of occupants. Team members are free to sit anywhere in an area assigned to the team.

<sup>4</sup> **Free-addressing:** Also known as *just-in-time space*. Free-address spaces are temporary seats provided to employees on a first-come, first-served basis. These seats do not need to be reserved through a formal reservation system.

<sup>5</sup> **Benching:** This is a workstation system that allows full lateral flexibility. Widely used in the financial industry, the workstations were traditionally designed around the frame of a trading desk. The system allows the ability to reconfigure the space to accommodate 1.5m (~5 feet) desks or 2m (~6.5 feet) desks simply by sliding along the work surface plan and adding or subtracting storage returns.

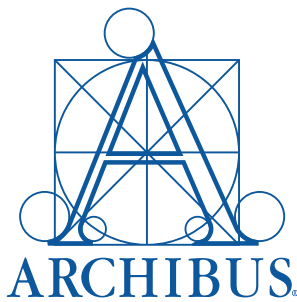
<sup>6</sup> **Activity-Based Workplace Arrangement:** This space arrangement provides a palette of different individual and group work settings that are specifically designed for different user preferences and ways of working, such as more interactive, team-based settings or quiet, focused work settings for tasks requiring heavy concentration. Employees are empowered with the choice to seamlessly move between the most appropriate work settings available as the type of work tasks evolve throughout the day.

<sup>7</sup> **Mobility Ratio:** It is defined as the total number of seats to total headcount assigned to a given site. Alternative workplaces are generally designed to support a mobility ratio of less than 1.0 (fewer seats than headcount supported).

<sup>8</sup> **Utilization Rate:** The average usage of a space, often measured as a percentage of the total period that the space is available for use, such as the organization's business hours.

<sup>9</sup> **Employee-to-Seat Ratio:** This is the ratio of the total number of employees to the total number of seats for a given site. It is effectively the reverse of mobility ratio. Alternative workspaces are generally designed to support a ratio of more than 1.0 (more employees supported than seats configured). A higher employee-to-seat ratio can potentially improve space utilization and lower real estate and operational costs.





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