

Puget Sound BUSINESS JOURNAL

December 2-8, 2011

Use real estate as productivity tool, not just cost center

Ben Franklin's frugality and commitment to innovation were equally famous in his time, and both contributed to recognizing him with his face on our \$100 bills — now known as Benjamins.

When it comes to real estate costs, the C-suite loves to save those "Benjamins."

But we think Ben would want today's leaders to think bigger than mere cost cutting. He'd want them to look at how real estate can foster innovation by giving shape to a collaborative corporate culture, motivate and make the work force more productive, delight stakeholders with a sense of place, and make big strategic changes possible.

Real estate strategic planning can help turn traditional thinking on its head and reset the approach to real estate as a contributor to overall profitability, rather than as a cost center.

Here are a few actionable ways real estate can contribute to value creation, not just cost reduction.

Collaboration

While a renovation might require investment in design, furniture and construction, could it also locate more employees under one roof, and co-locate more groups to share more ideas?

With fewer private offices and more shared collaborative spaces, many organizations are finding that not only are they fostering collaboration, but more employees fit into less space, therefore driving overall cost reduction as well as strategic value. Companies are achieving this by using strategic planning to:

- Locate spontaneous collaboration areas near employees of all experience levels.
- Identify, then transform, unused space into areas for informal interaction.
- Train managers to create a culture of collaboration that uses the new space.
- Create dual-purpose spaces, such as lunch and conference rooms that also can be idea-generating working areas and small group corners.

Productivity

Employee work spaces should be viewed through a new lens: the calculation of occupancy costs as a percentage of revenue rather than a cost per employee

What real estate solution will get the job done the most efficiently, and in a way that drives overall profitability?

Here are just a few, of many, processes that can be looked at in-depth, to make these assessments:

- Streamline processes and work flow.

STRATEGIC PLANNING



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— Is every desk needed, or could the mobile work force share in-office space?

— Could more be done in any given space? Could functions be combined to increase capacity?

— Is the space contributing to, or detracting from, employee productivity?

A sense of place

Strategically managed and designed locations can bring programs and products to life, while downsized facilities and forgotten cubicle warrens can detract from the achievement of an organization's mission. Questions to ask include:

— Do customers positively experience the brand when they visit your locations?

— What message does the space in which they work send to employees? Could locations be reconfigured to reduce commutes, increase quality of life, reduce turnover and cut back on absenteeism?

— Does your real estate live up to your reputation for excellent service? Challenge your real estate to live up to the same standards as your products and services.

Make change possible

When massive change is necessary, sometimes a new setting can be the keystone around which the change revolves. For Everett's Trinity Lutheran College, strategic planning helped facilitate the college's move from a rural to an urban setting, in order to continue to serve its religious and educational mission for students who no longer were attracted to the original beautiful, yet remote, campus.

Is every desk needed, or could the mobile work force share in office space?

Real estate strategic planning processes can "reset" old thinking, involve employees in the process of creating strategic space, and establish a shared focus throughout the organization that is in line with senior management priorities.

A visual and engaging process based in business objectives can help get you there, by engaging the C-Suite in real estate portfolio planning that goes beyond asking for cost cuts.

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