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## **Can you increase your productivity without increasing your spending?**

Improving the bottom line with optimized office space

By Anne Bengé

Assembly line manufacturing, in some ways, is all about efficiency and effectiveness. How you organize the line, how many times a piece is touched during fabrication and how far the dock is from the finished product all affect the cost of fabrication.

Manufacturing efficiencies happen when you look at the details and make adjustments. Incremental changes can have significant impacts. If you ask anyone who runs a manufacturing facility, they would not dream of putting machinery just anywhere or setting up lines without great care and expertise.

Office spaces are modern day, white-collar factories. Like assembly lines, workers are placed in cubicles, using their brains and experience to produce a product or service.

According to *Harvard Business Review*, "Real estate is the largest or second largest asset on the books for most companies, yet most executives rarely pay attention to it. Think of it as a portfolio, not a set of discrete properties, pay a little extra for a lease if it buys flexibility, collect data to assess the portfolio's performance, work with real estate service providers that offer expertise and efficiency and embrace sustainability; it's here to stay." Well-defined office space can have an amazing influence in terms of maximizing productivity. The effect can start even before an employee is hired. How many times have you heard someone ask after a job interview, "What are the offices like, are they nice?"

There are countless stories about start-up companies formed in a garage that grow and grow and have incredible results. The minute these new companies move into an office with walls, offices, rooms and dividers, the communication changes and the company changes. Like with the assembly line, an adjustment can have a major effect. It is not necessarily bad; it is just a force that needs to be acknowledged.

Can you increase the productivity of your workforce by changing your workplace without spending more money? The answer is yes. Start by looking at how the different departments are situated. Make sure those that work together are near one another. It does not make sense to have groups that work together separated by large tracks of space or even floors. Put the more seasoned people near younger, inexperienced employees. This will result in mentoring through ambient learning.

If you have the benefit of having too much space, make some room for casual sitting and meeting. Foster places where ideas can be talked about and places where employees can meet or work while standing up and moving around.

For those companies considering a move, there must be a critical evaluation of space for its productivity potential. An often underutilized resource for new space evaluation is your real estate broker. A good broker compiles a team of experts to consider variables

that affect your productivity and profitability before you select new space. Is the building a tilt up or high rise ... what is the parking situation ... is there good day lighting in the space ... how does your company fit into the space ... is the location right for you?

All too often picking a new location is only about finding space under "X" dollars a square foot. However, there are four ratios to consider and your broker can help you with these: occupancy cost per person and per unit; occupancy cost as a percentage of revenues and/or expenses; utilization of building space and land per person and per unit; and asset performance measured by return on total investment. This information will give you a baseline for determining how effective your efforts to optimize your office space truly can be.

In this era of cutting costs to budget a company's balance sheet, reorganizing your space to maximize productivity is a welcomed option. Since profit is really a ratio of income to overhead, then increasing the income through productivity can have just as much impact as cutting expenses.

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*Benge is a principal in the San Diego office of Unisource Solutions, an integrated facility service and office furniture provider, and the president of Commercial Real Estate Women (CREW) San Diego.*