



The Five Pillars of  
**Effective Space  
Management**





Photo courtesy of Michael Robinson

## The Five Pillars of Effective Space Management

*Rapid advances in workplace mobility over the past 20 years have forced organizations to rethink how they manage their space and equip their people with the right tools at the right time.*

Enabled by new technology, the number of private offices and cubicles continues to shrink as more people work from home, on the road, or in shared desk or unassigned seating environments.

HOK's space management teams typically work from our clients' offices, where we help them proactively manage their occupancy requirements to align with their company's business needs.

Effectively managing the physical spaces that an organization occupies, whether a single floor or multiple sites across the world, requires an understanding of the supply and demand, i.e., space data (the supply of each type of workspace) versus occupancy data (the actual utilization of space types). Corporate real estate (CRE)

and facility management (FM) groups can use this data to configure and allocate their spaces accordingly.

Companies with large national or international real estate portfolios don't always know exactly how much leased or owned space they have, making it especially challenging for CRE groups to optimize their physical occupancy of these spaces. To leverage the workplace as an asset that brings value to the organization, they need to know which spaces they can let go of, what they need to keep and how they can optimize that space.

Integrating the following five pillars of space management will help CRE and FM groups ensure that their workplaces are as effective as possible.

Cover photo courtesy of Michael Robinson



1

### WORKPLACE STRATEGY

Leverage the flexibility of your people and minimize change costs.



2

### REAL ESTATE TECHNOLOGY

Apply new technologies to enable optimal utilization and drive change.



3

### DATA MANAGEMENT & REPORTING

Build a solid foundation by establishing clear and accurate space and occupancy data processes.



4

### SPACE & OCCUPANCY PLANNING

Separate your processes and how you think about making physical changes to space and how your people use it.



5

### DELIVERY MODEL

Establish a balanced approach between tactical execution and strategic change initiatives.



## WORKPLACE STRATEGY

A workplace strategy provides the framework for making decisions within an overarching set of goals. The structure may include:

- Financial strategy: leased vs. owned
- Portfolio strategy: building types, i.e., Class A, B or C
- Location strategy: proximity to customers and talent at the right cost
- The actual workplace strategy: how to occupy the real estate

A good real estate strategy provides a responsive, flexible workplace that accommodates an organization's changing requirements. The goal is to minimize change costs by limiting the need for customization while boosting productivity.

Companies typically update their workplace strategies once every 3-5 years and only refresh 5 percent of their portfolios in a year. This explains why workplaces may go 10-15 years without updates—much longer than most organizations want to wait. This gap between strategy and implementation reinforces how important it is to separate space planning from occupancy planning.

The growing popularity of coworking spaces demonstrates that companies are looking for flexible space that supports their rapidly changing business needs. Organizations that incorporate more end user flexibility in their workplace strategies won't have to search outside their portfolios to satisfy their space needs.



Photo courtesy of Michael Robinson



## REAL ESTATE TECHNOLOGY

Many CRE and FM groups use complex programs to capture space and occupancy data about their portfolios. These Computer Aided Facilities Management (CAFM) programs or Integrated Workplace Management Systems (IWMS) give them a better understanding of their portfolios and ongoing workplace projects.

But technology can't solve the whole problem. Instead of using it to drive changes, organizations often over-customize this software to align with their existing processes. Going forward, this makes it harder to take advantage of new features in updated versions of the software. It also adds an unwelcome layer of resistance to change within an organization.

To learn more about how they are keeping pace with occupancy management trends, we interviewed

representatives from five top IWMS software vendors. These interviews revealed that analyzing space utilization data—including how often and in which ways employees are using specific spaces within an office—has emerged as a priority.

With the Internet of Things (IoT) giving us the ability to collect data from a multitude of sources including door sensors, Wi-Fi hubs, seat sensors and employee badges, we can create heat maps that help determine the best mix of workspaces.

IWMS will continue to be an essential tool for CRE and FM teams. But the emergence of better utilization data, business intelligence dashboards and building information models will make it imperative for space management teams to extend their expertise from IWMS super users to expert data integrators. The IWMS tools will provide real-time data on existing spaces and how those spaces are being used.



Photo courtesy of Michael Robinson



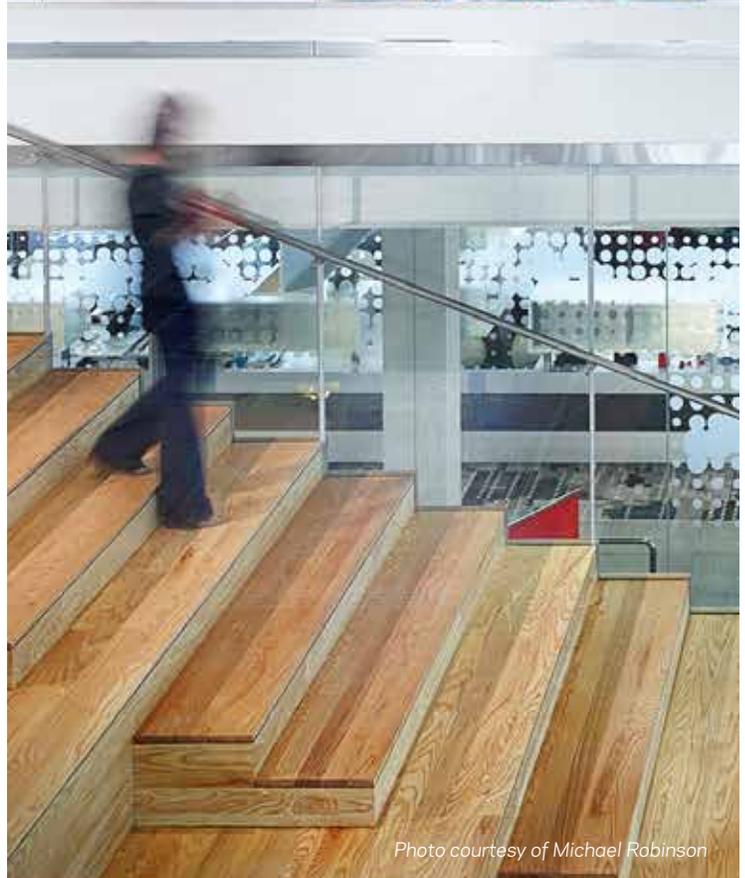
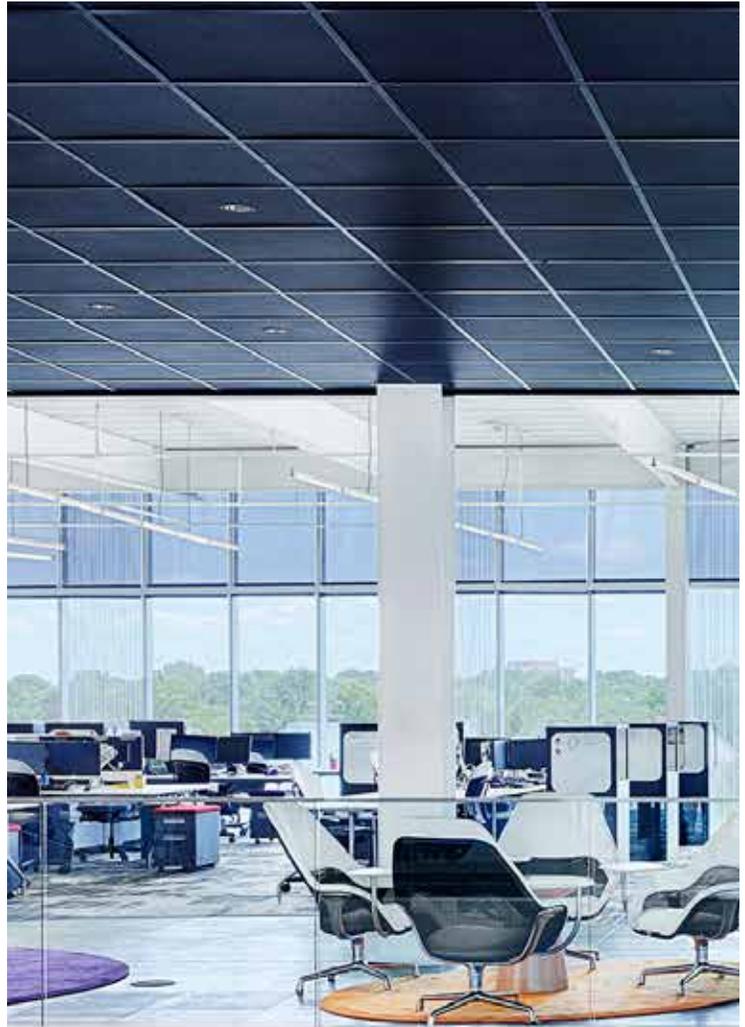
## DATA MANAGEMENT AND REPORTING

As they manage their organization's physical space, CRE and FM teams strive to align the work environment with the requirements of the occupying business groups. To understand their portfolio and how it could be best utilized by the occupants, space managers need to have smart, intuitive reporting systems that capture dynamic workplace occupancy data in real time. They should:

- Build a strong foundation by establishing clarity around occupancy data reporting, ownership, integrity and business-as-usual (BAU) data management processes.
- Collect only essential data. Consider what reporting is important to your organization based on your culture and portfolio. Then focus on only collecting data needed for occupancy planning and decision making. Assess the level of use and effectiveness of your organization's current reporting system and make adjustments that support your planning activities and workplace strategies.
- Recognize that reporting is just one part of the space management ecosystem. The reports you generate will only be as valuable as the processes and parameters used to structure, manage and maintain the data.

Today we're experiencing significant changes to what is measured. Because most space is significantly underutilized, planners are expending more effort tracking the actual time spent in specific workstations or spaces. To generate the most useful reports for decision making, space planners can use multiple data points and new software to enhance their occupancy data collection processes.

CRE and FM leaders are focusing more on cost per employee than the past measure of cost per square foot or seat. Managing space as effectively as possible requires planners to view it through different lenses. To assess utilization at the space level and manage the collaborative and concentrative spaces within a workplace, leaders need more robust data.



*Photo courtesy of Michael Robinson*



## SPACE AND OCCUPANCY PLANNING

The two primary space and occupancy planning project types—occupancy projects and fit-out projects—have different needs and approaches.

Occupancy (BAU) projects involve minor space changes at an existing location. They could include furniture reconfigurations, office-to-meeting room conversions, or other layout changes guided by an interior master plan.

Space fit-outs and projects that require a new location or a substantial renovation of an existing location offer an opportunity to implement or even create new workplace standards. Yet these projects represent just 5 percent of a typical portfolio—again demonstrating how long it can take to update an entire portfolio.

To disconnect space planning from occupancy planning, organizations must develop a workplace culture that emphasizes sharing over ownership and entitlement. This can be a two-step process.

The first step is to enable space sharing by providing space based on functional needs, moving storage from work settings to central locations, introducing different collaborative spaces and implementing a clean desk policy. In this scenario, the number of potential work settings should exceed headcount by up to 10 percent. As with coffee stations and common office amenities, areas that support mobile work can be built into the space.

As headcount increases, the next step is to introduce unassigned or shared desks and boost use of existing mobility areas. To establish a desk sharing model, CRE and FM teams can focus on target groups that have inherently higher levels of mobility.

Moving forward, there are opportunities for companies to fit out new space within a workplace standard while incorporating defined areas for critical customization by business units (80/20 planning). This will minimize the physical changes needed to support re-stack or major occupancy projects.



Photo courtesy of Tom Arban



## DELIVERY MODEL

No two portfolios are the same. Even within the same industry, every organization's portfolio size and distribution, culture, brand and workplace strategy can vary.

CRE and FM groups must proactively position and manage their spaces to respond to all potential business demands. This requires an integrated delivery model that encompasses workplace research and planning, strategy, design, and ongoing space measurement and management. Following this model will position the client to deliver people-focused environments that offer choice and accommodate flexibility in location, schedules, technology and work settings.

Space management is the glue that binds core real estate functions including transactions, project management, design and construction, and facilities management. It lives during all phases of the facility lifecycle, with no beginning or end.

Because one size doesn't fit all, the service delivery model for each CRE and FM team and their vendors must be tailored to their organization. The core real estate team typically sets the vision, leads strategy development and manages senior client relationships. Partners or vendors provide dedicated and on-demand resources to support clients. Focused on-site teams coordinate repeatable activities including space planning and data management, prioritizing executing strategies efficiently and consistently. On-demand resources bring new ideas and best practices to augment strategy development and implementation while driving change.

## ON THE HORIZON

Moving forward, CRE and FM groups could consider a completely different approach that detaches the planning and design process from occupancy planning. The most flexible part of any space isn't the furniture or the walls: It's the people. By implementing streamlined, ultra-flexible solutions supporting high mobility workers, CRE and FM groups can accommodate the needs of all their employees.



Photo courtesy of Eric Laignel



HOK's space management teams help corporate real estate organizations optimize their portfolios and implement ongoing workplace projects. These teams, which often are embedded within our clients' organizations and working on their sites, help our clients manage their occupancy requirements to align with their business needs. We take an integrated approach to real estate portfolio strategy, project space planning and data management. This proactive space management increases real estate efficiencies while reducing operating costs. Our teams implement, optimize and manage industry-leading integrated workplace management systems (IWMS) that equip clients with accurate space and occupancy data for forecasting and decision support.

[hok.com/spacemanagement](http://hok.com/spacemanagement)



Photo courtesy of Eric Laignel

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