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## Leverage space to gain advantage

Your workplace is a physical asset that can maximize your working capital, increase productivity and help you excel in even the most challenging economic times. It's safe to say those times are here.

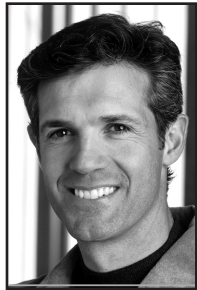
Most of us are witnessing diminishing pipelines, a shrinking customer base and increased competitive pressures. The credit crunch is limiting the availability of cash and working capital is at a premium. But we still need to attract new customers, ensure our viability to current customers and keep our most valuable employees happy and productive. This is no easy task; it requires us to employ all strategies at our disposal. Perhaps one of the most overlooked strategies is the utilization of the workplace environment as a tool to help support and stimulate business success.

You may be wondering, "What can my physical workplace do to help me compete?" Well, consider the following statistic:

*"A better physical working environment can impact company performance by 22.4 percent."*<sup>1</sup>

With careful planning and management over time, your workplace can impact multiple aspects of your business and be leveraged to drive business success.

■ **Productivity.** Your key business drivers are your people. No matter the product or service, without people to make the engine go, nothing happens. Every company's brand is nothing more than the sum total of the actions its people take. Some 85 percent of company spending is attributed to employee costs (salaries, benefits, training.)<sup>2</sup> With so



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much capital spent finding and hiring the right people, it would stand to reason an equal effort would be employed to ensure they are happy and productive. Workplace design has a significant impact on employee attitudes and effectiveness. Good workplace design can increase productivity and satisfaction by improving collaboration, workflow, access to technology and co-workers, comfort and flexibility. Additionally, your workplace, like your employees, will influence the way prospects and clients view your organization.

■ **Keeping and winning clients.** Does your office space reflect your brand identity? Does it convey your financial strength? The quality, appearance and functionality of your workplace are a reflection of your company culture and attitude toward clients and employees. From the moment a client or prospect enters your office, he is forming an impression. That first impression will influence every future decision he will make about your organization. In this case, the workplace can be an integral tool in your efforts to grow your business. A workplace that appears healthy is a reflection of your organization's overall health, whereas a poorly maintained office might appear as a sign of financial instability or lack of focus.

■ **Recruitment and retention.** "The single best predictor of overall excellence was a company's ability to attract, motivate and retain talented employees."<sup>3</sup> Potential employees, like prospective customers, will form a first impression that will guide their future decisions. Before the first interview, they will be assessing their opportunity based on what they see when they first enter your office. Remember, people drive your success; what they think matters! In addition, a workplace that reflects a company's personality and values helps potential employees feel a connection with an organization.

■ **Moves, adds and changes.** We work so hard to recruit and retain employees, then what happens? Churn happens! And it is costly and disruptive. With churn rates in the United States at an average of 40 percent across all industries<sup>4</sup>, hard costs can run into the hundreds of thousands of dollars a year. (This does not take into account lost productivity.) With the current climate of downsizing and reorganizing, churn rates are extremely high and will continue to increase. It can't be avoided, but we can certainly combat the high cost associated with churn through planning and management. And although the churn rates quoted above are well documented, historically many end users view the office environment as a static solution to a dynamic problem and underestimate the degree of churn that happens in the workplace. Consider choosing a partner that recognizes this inherent disconnect and can guide you, over time, to maximize your office environment so

that it remains in step with the company's culture.

■ **Financial.** In a time of reduced spending, the last thing you want to do is spend working capital on depreciating assets. Business owners demand a high return on their investment from working capital. Therefore, working capital should be available to drive revenue, provide financial cushion in difficult times and enable you to take advantage of unforeseen opportunities. A cost that never shows up on a balance sheet is "opportunity cost" because it is hard to quantify, however real. Therefore, consider alternative approaches to financing that will allow you to preserve your existing working capital and lines of credit. Choose a partner that allows you to focus on your core business needs while it helps you plan and manage your workplace to maximize efficiency and productivity, reflect your brand identity and viability, and manage change with minimal disruption and cost.

In summary, your office environment is an asset that can drive positive business impacts and help to gain a competitive advantage for your business. However, when not implemented or managed properly over time, the office environment will physically degrade, get out of sync with your company and have negative impacts on your profitability and ability to compete. Regardless of the size of your business, engage a partner that can share best practices and understands the critical link between a well-done office environment and positive business impacts.▲