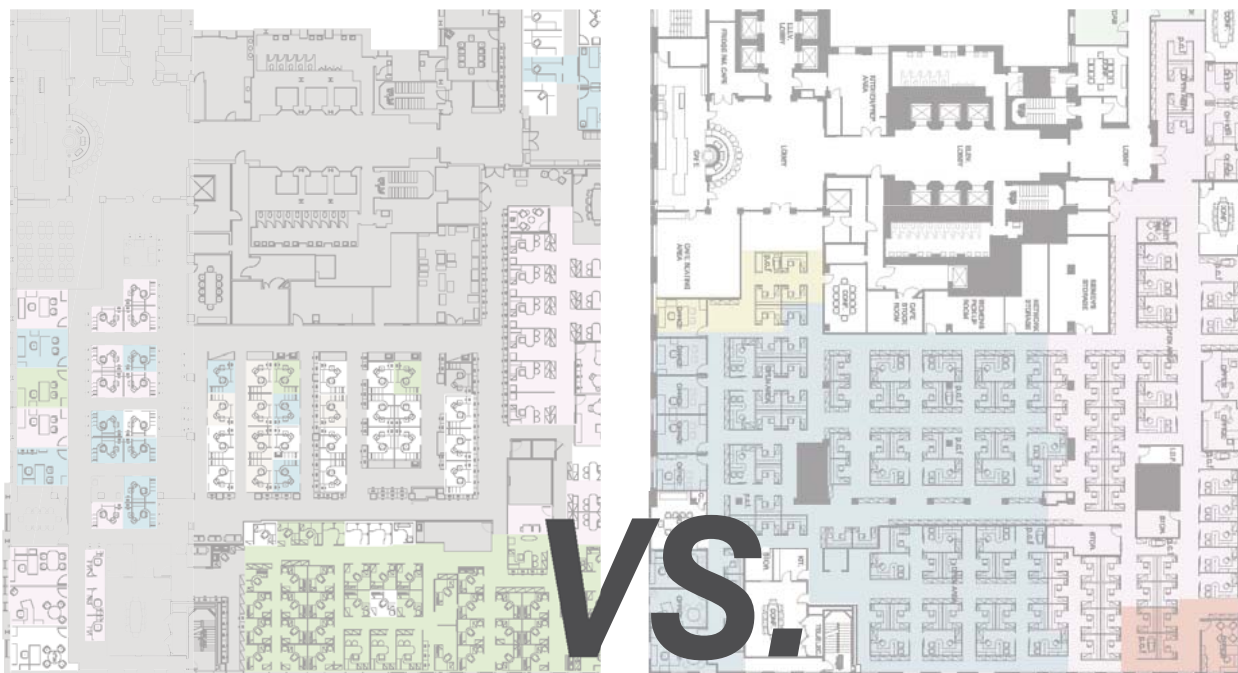




Signer Harris Architects

# Space Maximization

## Restructuring Spaces for Efficiency and Cost Savings



In the quest to address economic uncertainty, reduce overhead, and improve the bottom line, business leaders are turning their attention to one of the biggest costs of business: leased office space. “Studies have shown employee workspace size decreasing –middle manager office space, for example has shrunk from an average of 151 square feet in 1994 to 121 square feet in 2007, a decline of nearly twenty percent.” This reduction has been implemented as businesses relocate and expand or contract, typically on a cycle linked to the expiration of leases and the associated opportunities to create more efficient office space in new locations. The cost of such relocations can be supported by the benefit of “Tenant Improvement” dollars incorporated into a lease costs and amortized over many years.

Today, however, many businesses cannot wait for the expiration of a lease for the opportunity to

redesign offices for more efficient layouts. Rather, they seek ways to implement space-saving strategies immediately, with the associated benefits of reduced costs.

The potential cost savings relate to several areas:

- Actual reduction in square footage leased, returning portions of existing leased space to the landlord;
- Subleasing such space;
- Adding more people into existing space without increasing leased area.

The challenge, of course, is to implement these savings without major reconstruction and the associated disruption of occupied work areas. Two examples of how to address these challenges follow:

Company A, a major R&D company in the Boston area, grew quickly over a series of years, expanding into new buildings and leasable space as quickly as it could find it. Following a period of economic challenges, strategic reassessments, and a re-focus of operations, Company A began to consolidate its operations into a few key sites. Known not only for its business acumen but also for its progressive and design-oriented work environments, Company A continues to value aesthetic and amenity as contributors to worker

## Company A Solution

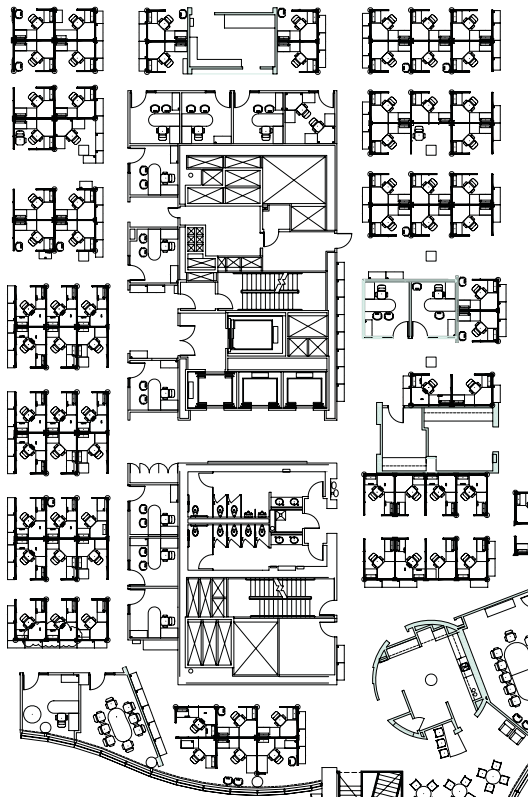


Figure 1 - Existing Conditions

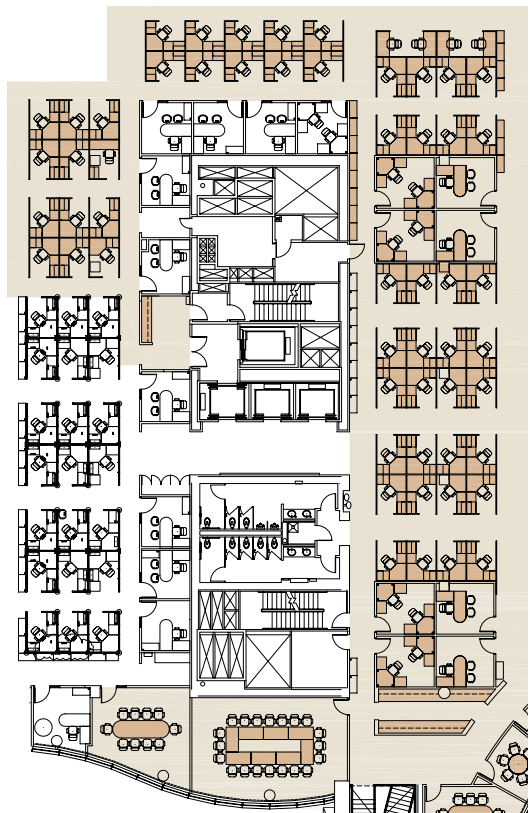


Figure 2 - The space as reconfigured by Signer Harris Architects incorporates additional cubicles and group gathering spaces without compromising individual comfort or an airy layout.

satisfaction and productivity.

Aware of the inefficiencies created by their reactive approach to company growth, Company A perceived value in a strategic model to manage growth within existing leased space. With this in mind, Company A undertook an assessment of its entire inventory of office space, exceeding 192,000 square feet. The goal was to determine opportunities for more efficient layouts that might increase occupancy without reducing the amenity or functionality of space. Airy and spacious, the existing office floors had been designed with few closed offices, reasonably-sized cubicle workstations, glassed-in conference rooms, and generous coffee station / lunch areas on each floor. Working with Signer Harris Architects, Company A developed several options with different spatial modifications and levels of investment that would address its space goals:

- **Low hanging fruit:** a relatively simple re-spacing of cubicles, reducing aisle widths minimally, allowed an extra row of workstations on each floor with an imperceptible impact on the quality of the space. Combined with some reconfiguration of cubicles in areas that were less than efficient, such minimal interventions increased occupancy by about 10%, roughly 120 people, across the entire company. This option involved a comparatively small investment, including minor furniture relocations, some new furniture, repositioning of power and data lines, and limited construction with repainting and upgraded finishes.
- **Modest Investment:** by reducing the assignment of private closed office spaces, a limited number of such closed offices could be demolished and replaced with the smaller footprint of furniture cubicles. Some private offices would be replaced with conference rooms and teaming areas, thereby addressing real business needs for operations, work styles, and productivity. Here the investment would be more significant and included demolition and new construction. The payoff, however, is an increase of about 32% in population within the existing total leased square footage, or about 380 people.
- **Significant Investment:** should Company A explode with business and demand more serious efficiency within its leased area, a cultural shift could be implemented by eliminating the company cafeteria and food service operation. Because Company A is in an urban location, many dining options are available within its city neighborhood. Although a big step, the combined payoff of this and the two previous options yields an increase of over 38% – over 450 people – all without an increase in leased space.

The opportunities for increasing efficiency were achieved with relatively minor investment in dollars, and with virtually no sacrifice to the quality of

the spaces or the amenities per floor – except in the most drastic case of repurposing the cafeteria. It remains to be seen whether or not Company A implements any of the options for increasing population. The critical point is that options have been explored and the impact on the business model, real estate, and budgeting can be strategically planned rather than haphazardly imposed.

In another example, Company B, a local branch of a financial services business, had to confront a dramatic overabundance of square footage. This industry leader had seen the impact of continual management and operational efficiencies in its national organization result in increasing vacancies in workstations, to the point where 15% of its leased area was unoccupied. Having leased four floors, each over 65,000 square feet, in the same building for many years, Company B determined it was time to evaluate its options. An analysis of its existing spaces, furniture, operations and technical requirements revealed that Company B could likely shed one full floor, over 65,000 square feet, and still support its population and business needs.

Working with Signer Harris Architects, Company B focused on several goals:

- Implement its newer national corporate standards for workstation cubicle furniture. Consistent with industry trends, these cubicles had reduced in square footage in the years since the company originally fitted out its Boston office. Although smaller, these workstations possessed newer finishes and more efficient tools, reducing square footage per person while enhancing the employees' environment.
- Implement a new national initiative to provide shared workstations, appropriate technologies, and more teaming/conference space for its off-site work force – those who are in the “office” fewer than 3 days per week. Shared workstations reduce the total number of cubicles while serving the same employee population.
- Use this change as an opportunity to improve efficiencies, adjacencies, and functional relationships between departments – bringing them into a better physical relationship that could improve their operations.

As is typical with many large organizations, individual business units are “assessed” charges associated with the square footage of office space that they occupy. With this in mind, managers became supportive of the move to reduce leased area as a way that they could directly impact their own departmental bottom lines. Employees, while needing to adapt to new furniture standards, benefited with upgrades to the finishes and overall appearance of their work environment. Improved physical relationships and adjacencies

## Company B Solution

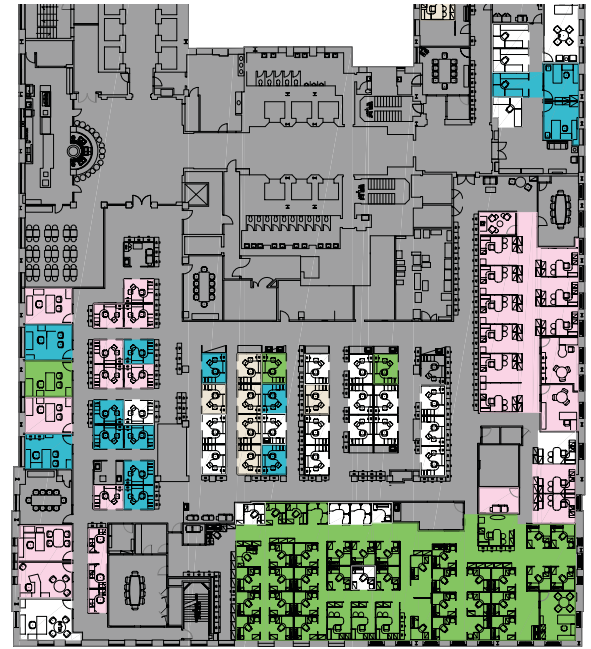


Figure 3 - Typical existing condition

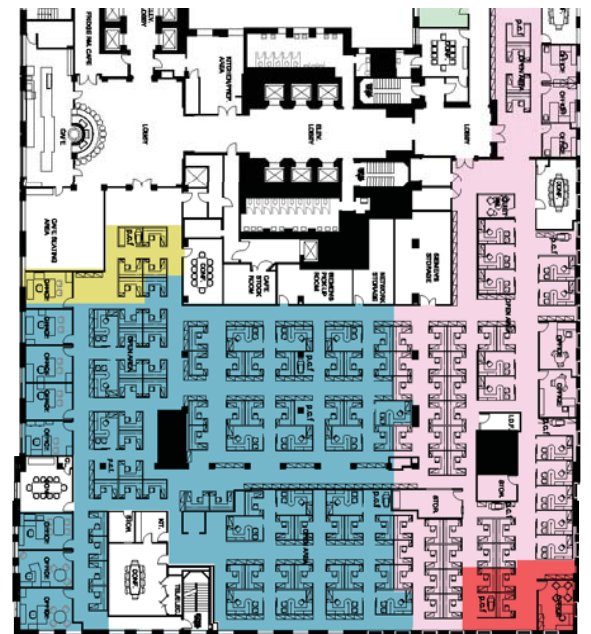


Figure 4 - In the reconfigured space, team members are grouped together on floors, easing communications and promoting a sense of community.

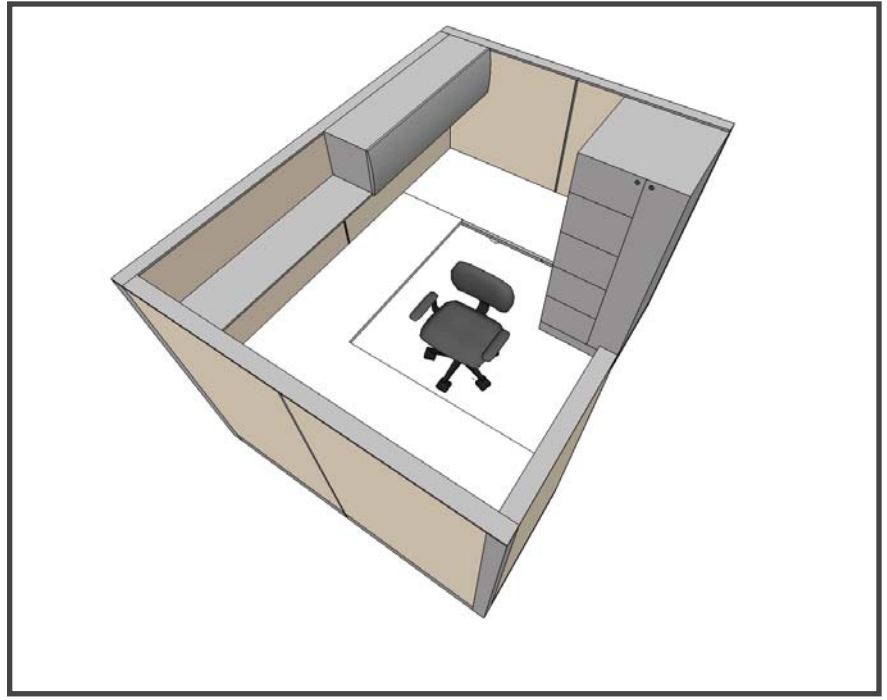
helped all to function better. The results of this planning study were so impressive that Company B is implementing the architect's design recommendations on a fast track basis. Before the end of the year it will reduce its leasable area by over 65,000 square feet while still supporting its full workforce.

Once the assessment and value of the study were embraced, Company B faced the formidable challenge of implementation. Because Company B was not relocating, it needed to replace furniture and make associated improvements in carpet and paint in the midst of ongoing business operations. Working collaboratively with its project management team, its architect/move manager, and its construction manager, a complex 7-phase move/renovation strategy was conceived. Like a 3-dimensional game of chess, departments were consolidated and relocated while half-floors were renovated. Some departments moved only once, with a few departments moving a maximum of three times.

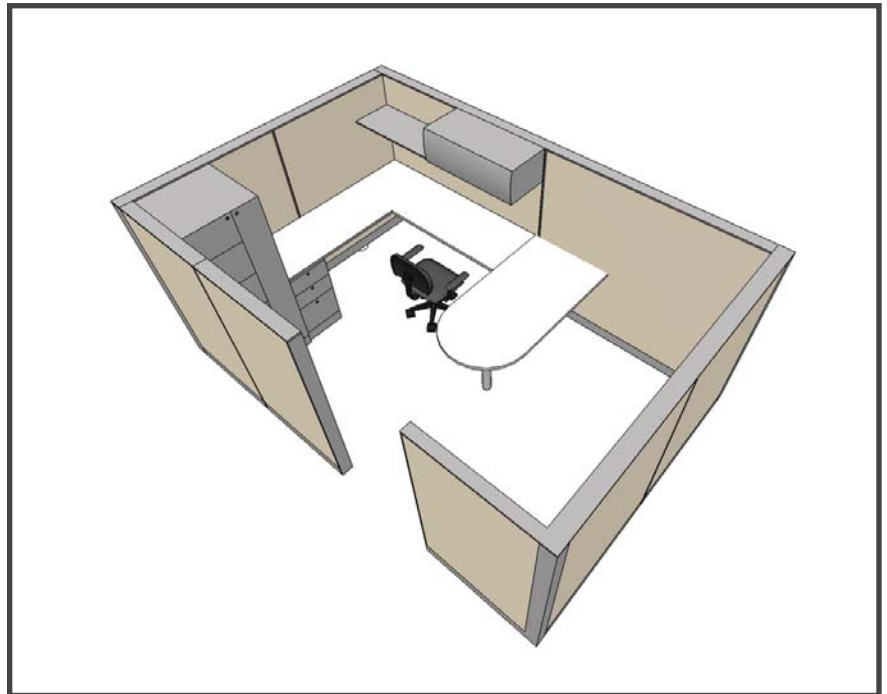
Changes to existing office space are not without cost. But as these two recent and relevant examples reveal, when a combination of improved operations and increased population can be addressed within existing or reduced leased square footage, the business benefit is compelling and the rewards can be significant.

For more information about this or other Signer Harris Architects projects, contact:

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**Figure 5** - At 6'x8', these cubicles allocate less space to the individual but offer a high level of amenity with abundant storage options. In this scenario, the loss of personal space is offset through the increase of additional inviting common spaces.



**Figure 6** - Designated for team managers, these 8'x12' cubicles offer ample space for informal meetings while facilitating an overall increase in occupancy due to an accompanying decrease in private offices.