



Herman Miller Space Utilization Services

Making Real Estate Work Harder: Aggregated Data, Trends, and Examples

Herman Miller's Space Utilization Studies, conducted over the past two years, have uncovered important findings based on quantitative data that provides companies with evidence demonstrating not only how their current space is being used—but what they might do to improve it. This data is especially relevant given the intensely competitive environment in which most businesses operate today, particularly when it comes to real estate. The research outcomes can also build a solid business case for changes and continuous improvements, leveraging data for informed management and decision-making.

INFORMED, FACT-BASED DECISIONS

This research, conducted at customer sites, can be used in the following ways:

- See which spaces are underutilized and where work actually happens
- Identify ways to improve space utilization and increase efficiency, usually resulting in significant real estate cost savings
- Develop strategies to improve employee satisfaction and productivity based on their needs and the way they work
- Align spaces to meet overall organizational goals and objectives

HOW IT WORKS

The research is gathered using patent-pending wireless sensors that attach to the undersides of chairs to collect highly accurate usage data. Unlike manual “bedchecks” that

rely on human observation, these sensors produce reliable, credible evidence that demonstrate how often a chair is occupied throughout the day. The data is housed in a database that is continually updated to weigh new findings against alternative trends. It is then compiled and analyzed by Herman Miller to determine the actual utilization of a particular space across an entire organization, from conference rooms to workstations.

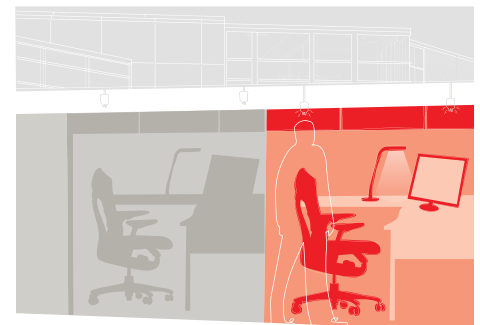
DATA-BASED TRENDS

Studies have been conducted in a wide range of industries, including electronics, petroleum, business services, chemicals/pharmaceutical, healthcare, light manufacturing, banking and insurance. Across these industries, the studies have shown that:

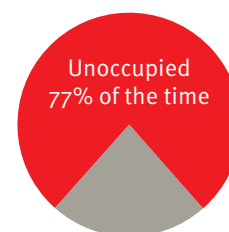
- 77 percent of the time private offices are unoccupied
- 60 percent of the time workstations are not occupied
- Conference room seating is rarely used to full capacity

The data also demonstrates that:

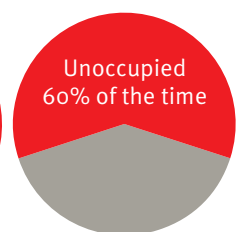
- Mobility is becoming more important
- People like to work in “social” spaces and will choose them over less social spaces
- Smaller meeting spaces are used more than larger spaces
- Rooms with technology are used much more than those without



Private Offices



Workstations



Factors driving these trends range from global influences to increased demand for technology to mixed generations working collaboratively. We know, too, that while people can work anywhere today, space can and does inspire performance, increase productivity, and attract/retain employees.

COST-EFFECTIVE SOLUTIONS

The quantitative data derived from the utilization studies is often used to build a business case for change to make a workplace more effective and efficient.

For example, one customer learned that the reason employees chose larger conference rooms, even for small groups, was because smaller rooms weren't equipped with technology. By adding speaker phones and display monitors, they were able to match the appropriate-sized room with the actual usage patterns and reduce the number of large conference rooms. It also enabled them to create more appropriately sized conference rooms.

In another case, a client who was moving into a new space decided to shift to smaller, more casual collaborative meeting spaces rather than larger drywall meeting rooms based on actual usage reports. So it enabled them to create the kind of meeting spaces people wanted and would actually use.

Another client was able to identify additional employees who qualified to be part of their existing "Mobility Program" (based on utilization) freeing up space that was needed for another business unit that was expanding. Because they didn't have to add more space for the expansion, it resulted in considerable real estate savings.

Still another client that had mostly mid- to large-sized conference rooms found that typically

less than 50 percent of the room's seats were used at a time. They also discovered many instances when the rooms had just one seat occupied. In planning for a new facility, they have the potential of using less real estate for conference rooms by having fewer and smaller conference rooms along with some one- to two-person-sized studios.

BETTER THAN A BEDCHECK

These detailed and significant findings do not show up in a manual bedcheck. For example, one study showed actual dedicated space utilization rate of 38 percent versus the client's bedcheck data of 67 percent.

In another case, a large conference room showed it was used 90 percent of the time, but because the average percentage of seats used was only 43 percent the overall utilization was just 38 percent. In contrast, a conference room in another area was used 100 percent of the time with an average percent of seats used at 78 percent.

This type of data helps companies determine, for example, how many conference rooms they need, what the seat capacity needs are, where they should be located, and what kind of equipment is necessary to support the work teams in the area.

UNDERUTILIZED SPACE IS COSTLY

Underutilization can be costly not only in terms of the real estate itself (and the accompanying utility charges) but also in terms of workplace efficiency and effectiveness: Is the space being used to its maximum value? Are we getting the most optimal utilization? Is the space being used in the best possible way to support the work that's being done there? Is the space supporting people and the work they're seeking to accomplish?

The outcomes of the studies and the resulting recommendations for improving productivity can be used to reduce real estate portfolios and costs; it can also make existing spaces work better for a current workforce, taking into account the technology, work styles, and type of work that is happening today.

This data also enables companies to identify areas where they are typical and where they are unique compared to trends. That is significant because many variables affect space usage, and a sampling of the studies showed usage outcomes that range from 1 percent to 100 percent.

EFFICIENT *AND* EFFECTIVE

By comparing utilization to real estate costs, we can create financial metrics to drive solutions to help create spaces that are both efficient *and* effective:

Reduce overall real estate costs *and* engage current workforces

Maximize space *and* align vision with work environment

Lower energy usage *and* respond to new ways of working

Support work flow and processes *and* enable mobility in and out of the office

Use technology to improve productivity *and* enhance a company's identity and brand

MAKING THE MOST OF YOUR SPACE

To find out more about how Herman Miller's Space Utilization Service can help you make the most of your valuable real estate, please contact Tracy Brower, Director, Performance Environments today at tracy_brower@hermanmiller.com.