

EuroFM/IFMA 95

Reducing the Cost of Churn

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Defining Churn

**Total number of office
employee workspace moves
in a year divided by total
number of office employees**

What's the Problem?

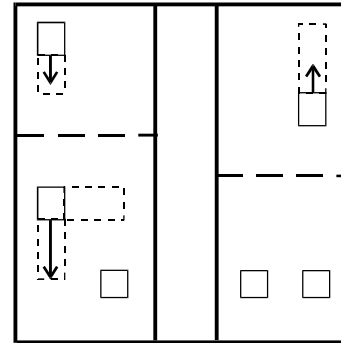
- **Average churn rate is 41%**
- **Some have churn rate as high as 198%**
- **Cost per move per person can be as high as \$3400 US**

Why is Churn Necessary

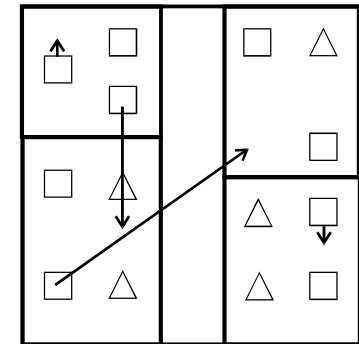
- **Provides flexibility to meet changing management demands**
- **Increases productivity through better communication**

Flexibility

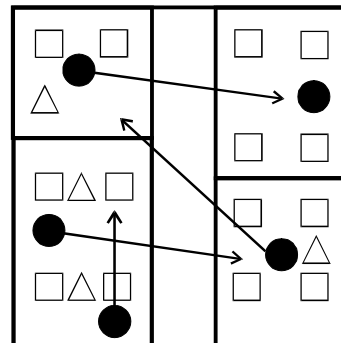
■ Convertibility



■ Rearrangeability



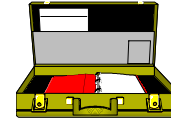
■ Versatility



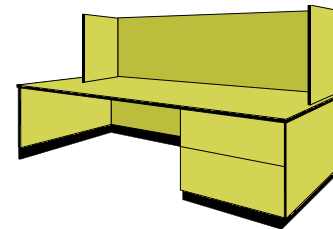
Source: Pena, William, Problem Seeking, Washington, D.C., AIA press 1977

Types of Moves

- **Briefcase move**



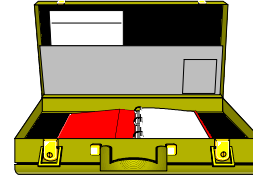
- **Furniture move**



- **Construction move**

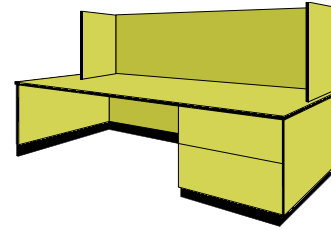


Briefcase Move



- **Move people from one existing workspace into another existing workspace**
- **No furniture moved**
- **No new wiring or telecommunications**

Furniture Move



- Reconfiguration of existing furniture, or
- Furniture moved, or
- Furniture purchased

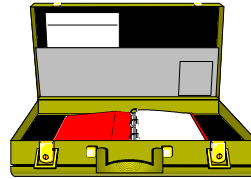
Construction Move



- **New walls, or**
- **New or additional wiring, or**
- **New or additional telecommunications systems, or**
- **Other construction**

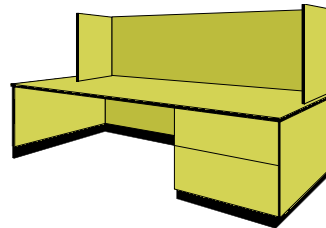
Cost of Moves by Type

■ Briefcase



Per person
\$168 US

■ Furniture



\$489 US

■ Construction



\$3409 US

Cost of Moves by Industry

■ 1991

■ 1994

■ Trend

Options

- **Reduce the rate of churn**
- **Reduce the cost per move**

Necessary Conditions

- **Senior management understanding and support**
- **Known requirements for functionality, quality and quantity of space**
- **Develop modular footprint standards**
- **Apply generic planning and layout**

Functionality and Quality of Space

- **Employee involvement**
- **Compare requirements (demand) to available facilities (supply)**
- **Need a tool to simplify and document**

STM

- **Serviceability Tools and Methods**
- **Over 100 topics**
- **Multiple choice questionnaire**
- **Uses focus group of employees**
- **Reviewed by management**
- **Quantifies quality requirements**
- **Translates directly to technical description**
- **ASTM standard practice**

Modular Footprint Planning

- **Footprint: the size and shape of the part of usable space occupied by a single workspace**
- **Small number of standard sizes and shapes**
- **Objective: to support briefcase moves by moving people, not walls or furniture**
- **Move cost savings can be over 90%**
- **Assign space by function**

Laboratory Universal Footprint



■ Standard lab	6M x 9M (20' x 30')	54 Sq.M. (600 sq.ft.)
■ Super lab	9M x 12M (30' x 40')	108 Sq.M. (1200 sq.ft.)
■ Mini lab	4.5M x 6M (15' x 20')	27 Sq.M. (300 sq.ft.)
■ Micro lab	3M x 4.5M (10' x 15')	13.5 Sq.M. (150 sq.ft.)

Classic Planning

- **Plan for the day of move-in**
- **Situational planning**

Generic Planning

- **Plan through to the day of move-out**
- **Mix and location of footprints important**

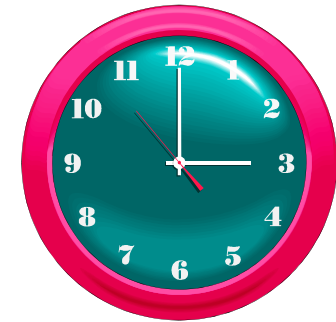
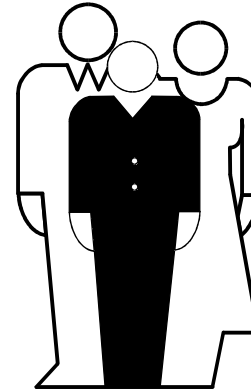
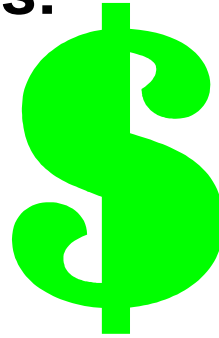
Steps in Generic Planning

- Provide for required circulation
- Identify likely nodes and landmarks
- Block out space for workgroups
- Add secondary circulation and main support spaces
- Test for flexibility
- Create first layout of universal footprints
- Verify that planning objectives have been met

Senior Management Commitment

- **What commitment means**

- **Resources:**



- **Support for universal footprint application across organization**

- **How to get commitment**

- **Show return on investment (ROI)**

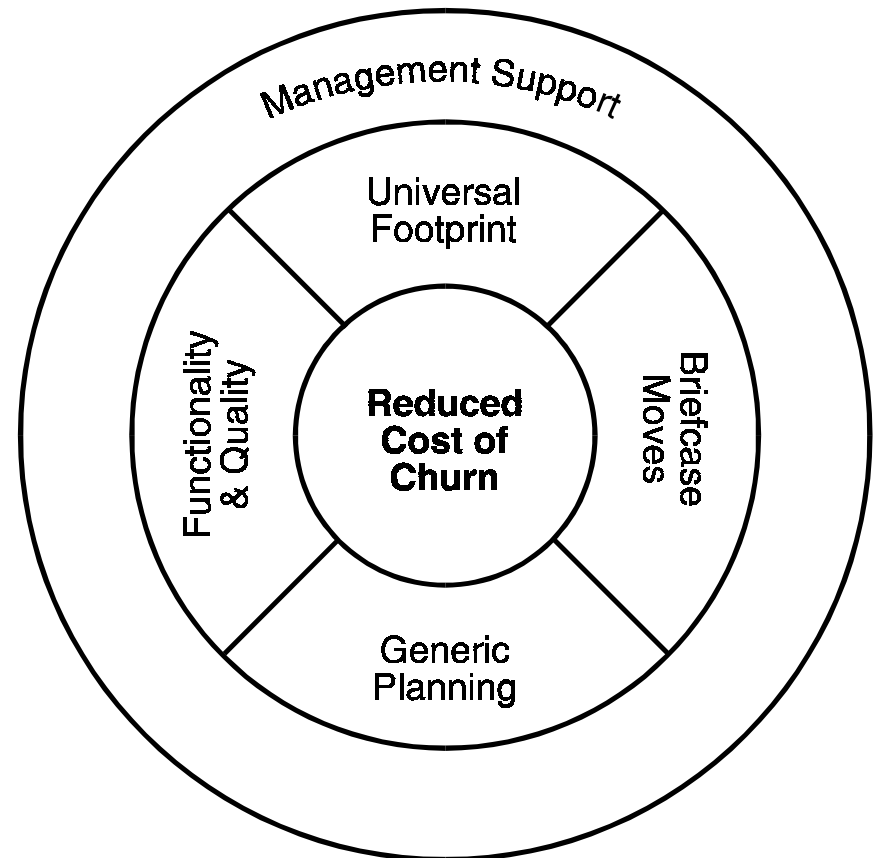
Summary

- **What's the problem?**
- **Cost of moves**
- **Conditions to reduce costs**
- **Modular footprint planning**
- **Can be applied to other types of space**
- **Generic planning and layout**

Conclusion

- Use all the tools of universal footprint planning to reduce the cost of churn

Aim for the Bull's-eye



Thank You!

Questions???

