What are the Hidden Costs of Space?
The Hidden Costs

An empty desk is an expensive commodity for any business these days – particularly in major cities across the world. In New York it could cost up to a cool **$20,000 every year!**

In fact, the hidden costs of space are a significant contributor to business costs, including lower space productivity.
The Top 5 Hidden Costs When Space is Poorly Managed

- Low staff productivity (time wasted locating space)
- Booking Space (External Use)
- No shows (empty rooms / desks)
- Lack of effective policies
- Poor or slow adoption of technology.

In part one of this series, Luis De Souza (CEO of NFS Technology Group) will be looking at the human factor, a major contributor to the hidden costs of wasted space.
Office Space VS Productivity

It’s easy to see why inefficient office use drags down productivity. A frustrated employee wandering around the building looking for workspace is not really contributing to the bottom line.

The ability for staff to find the right space easily is critical for businesses looking to achieve high productivity.
Organizations often need expensive locations for good commercial reasons involving opportunity, facilities and networking – for instance, HSBC recently opted to keep its HQ in London despite being on a $5.35 billion savings drive.

So it makes perfect sense for any business, whatever their location, to make the most of available accommodations, with little waste and providing facilities to keep their staff happy and working efficiently.
That sounds perfect – but is it easier said than done? Luis De Souza, CEO of NFS Technology group, says not. He’s convinced that the solution to driving up productivity while cutting costs lies in a potent combination of great office design and state-of-the-art technology.

“There’s no doubt the most successful businesses are those that provide staff with the type of workspace they need, to work in the most efficient manner.” he says.

“However, that’s a more complex issue than it used to be. The way we use space at work has changed dramatically in recent years, and a lot of businesses simply haven’t been able to adapt to keep pace.”
The Rise of Agile Working

Not so long ago, most people had a desk and sat at it from nine to five; meetings were held in formal rooms set aside for that purpose and left empty at other times.

Now it’s different, thanks to factors ranging from the rise of agile working to the arrival in the workplace of a young digital-savvy generation who demand flexibility.

Luis De Souza:

“Only around 50 percent of businesses take advantage of flexible working, despite its many cost-saving benefits. I believe this is because they are reluctant to shift to new working models, fearing they might disrupt business or even provoke a drop in productivity.

But with new space booking technology and robust processes, businesses can make far better use of their space while ensuring their workers have seamless access to the facilities they need to do their jobs well.”
Responding to the New Working Environment

Luis says the starting point is taking a fresh look at the available office space, how it is used and how that can be adapted to better suit the working patterns of businesses.

“Where meeting rooms were once purely fixed spaces, they can now also be informal areas where people can collaborate on specific projects with their colleagues...

Many businesses now need flexible working space that includes fixed desk areas for those who are still in the office all day, plus hot desk space for those who drop in and out. In addition, all of these spaces need access to the appropriate equipment – such as AV or laptops - at the right time...

Clever designers can create the right environment to facilitate collaborative working, but without effective planning and scheduling of space and equipment, money and time are wasted. No-one wants their staff wasting time looking for somewhere to meet.”
The Critical Role of Technology

Today, technology correctly selected and deployed gives a business a clear real-time view of what space is available, how it is being used and how it can be best used. Staff can book space and equipment online from wherever they are – but the advantages don’t stop there.

Luis De Souza:

“A good workplace management system enables a business to build in efficient processes that support the best space utilization. Employees often fail to realize that space is a valuable commodity, and wasting space wastes money.”

“Scheduling solutions give staff a timely reminder that they have booked space, and ask if they still need it. It also has a check-in and check-out facility which means a room can automatically be made immediately available if the delegates don’t arrive.”

“People can book services alongside space -- it means they know everything they need for their meeting or work will be available when they turn up. Even catering can be booked to allow visiting clients to enjoy an efficient and professional experience.”
Putting Staff at the Center of Space Management

By using technology to monitor how space is being used in real-time, business owners and facility managers can get a clear view of how their space is working for their staff, and plan ahead.

Luis De Souza concludes:

“By understanding in detail whether the office space is being used properly, you can determine whether you’re getting value out of your space... That means you can make informed decisions on issues ranging from the size of accommodation to the equipment and furniture needed for the staff who use it...

Put all of that together, and it adds up to reduced costs, a happy, well-equipped workforce and a healthier bottom line.”
Agile working is great for workers – who wouldn’t want to avoid the rush hour commute? But it also has cost-cutting benefits for companies including reduced travel, resulting in lower stress, lower absences and inevitably better productivity.

Even staff retention and recruitment can benefit. The latest evidence confirms that the younger generation of workers, known as the millennials, demand flexibility in their working life and will shift jobs to get it.

In a further boost to the bottom line, flexible working can mean a company’s need for office and parking space is reduced as staff get used to hot-desking, dropping in for key meetings and working effortlessly wherever they are.
Stay in touch

Want to discuss how technology can support your organization to improve collaboration and staff productivity?

Our experts are on hand to help:

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