Productivity Metrics

Newmark Knight Frank
Which term best describes your role in the industry?

- End User: 54%
- Service Provider working with a single client: 6%
- Service Provider / Consultant working with multiple clients: 37%
- Economic Developer: 0%
- Developer / Investor: 0%
- Other, please specify: 3%

The total number of survey respondents was 114. 64 were End Users and 50 were Service Providers.
Please specify the global region in which you are headquartered

- Asia-Pacific: 77%
- Australia/New Zealand: 4%
- Central and South America: 3%
- Europe, Middle East and Africa: 15%
- North America: 2%
- Other, please specify: 0%
What best describes your industry?
For Service Providers working with a single client, answer based on the industry of the client

- Other, please specify: 20%
- Utilities: 3%
- Transportation: 1%
- Telecommunications: 3%
- Technology: 10%
- Retail: 0%
- Real Estate: 10%
- Manufacturing / Industrial: 7%
- Hospitality / Entertainment: 1%
- Government: 0%
- Furniture: 3%
- Financial Services: 16%
- Economic Development: 0%
- Distribution: 2%
- Construction: 2%
- Business Services / Consulting: 11%
- Automotive: 1%
- Architecture / Design: 10%
- Aircraft / Aerospace: 2%

Other:
- Real Estate Services
- Contractor Working with Multiple Clients
Approximately how many employees does your company have?

- The plurality of respondents represent companies between 10,001 – 100,000 employees.
Presenters

ANN TUCKER
Senior Managing Director
20 Years of Experience
Areas of specialization
- Portfolio Strategy
- Workplace Strategy
- Headquarters Occupancy Strategy
- Master Planning
- Standardization Programming
- Project Management
- Interior Design

STACY DAVIS
Senior Managing Director
20 Years of Experience
Areas of specialization
- Workplace Strategies & Mobility
- Workplace Integration
- Standardization Programming
- Space Design Guideline Development
- Workplace Planning
- Interior Design

Newmark Knight Frank
Global Corporate Services
Do you measure how the workplace impacts corporate office staff productivity?

- 63% No
- 37% Yes

Does the CRE organization work with the business units to help increase productivity and involvement in projects such as lean six sigma, office automation, workflow redesign, document management, etc?

- 44% No
- 56% Yes

How often do you measure, analyze and report productivity metrics?

- 25% of End Users measure only before or after an event
- 18% of Service Providers measure quarterly

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Do you believe that Real Estate and Facilities have an impact on organizational productivity?

Overall Responses

- **Service Provider**
  - Never: 0%
  - Seldom: 1%
  - Occasionally: 6%
  - Often: 33%
  - Always: 60%
  - N/A: 0%

- **End User**
  - Never: 0%
  - Seldom: 10%
  - Occasionally: 20%
  - Often: 30%
  - Always: 50%
  - N/A: 0%

Service Providers responded 18% higher than End Users that real estate and facilities “always” have an impact on organizational productivity.
Do you believe that Real Estate and Facilities have an impact on organizational productivity?

Responses By Industry

- **Energy**: 60.0% (Always), 40.0% (Often)
- **Goods**: 4.0% (Never), 8.0% (Seldom), 32.0% (Occasionally), 56.0% (Often)
- **Information**: 5.9% (Never), 47.1% (Seldom), 47.1% (Occasionally)
- **Services**: 6.0% (Never), 28.4% (Seldom), 65.7% (Always)

88-100% of all industry participants agree Real Estate and Facilities “Often or Always” have an impact on organizational productivity.
Does your organization integrate Real Estate, HR and IT initiatives to improve productivity?

Responses indicate that 81% “Occasionally, Often, Always or Plan to integrate CRE, HR and IT initiatives to improve productivity. 19% reported they “Seldom or Never” integrate these discipline initiatives.
Does your organization integrate Real Estate, HR and IT initiatives to improve productivity?

Responses By Industry

The 19% of respondents reporting “Seldom or Never” are found in the Goods industry and Services industry. Energy and Information respondents report greater than 90% “Occasionally, Often and Always.”
Please select all the non-financial and RE related key performance metrics that you regularly measure:

Overall Responses

- **We do not measure performance beyond financial**: 15%
- **Employee satisfaction**: 75%
- **Employee attraction**: 35%
- **Employee retention**: 46%
- **Environmental impact**: 56%
- **Customer satisfaction**: 56%
- **Other, please specify**: 9%

75% of the respondents regularly measure employee satisfaction

**Other Metrics measured are:**
- Collaboration, concentration, access to information, reduced wasted time, etc.
- Well-being (physical, social and emotional health)
- Social Network measures: median degree, distance
- Safety, health, regulatory (EPA)
Please select all the non-financial and RE related key performance metrics that you regularly measure:

Other metrics measured are:

- Collaboration, concentration, access to information, reduced wasted time, etc.
- Well-being (physical, social and emotional health)
- Social Network measures: median degree, distance
- Safety, health, regulatory (EPA)

Responses By End User vs. Service Provider By Industry

End Users regularly measure Environmental Impact compared to Service Providers.

End Users in the Information and Energy Industries regularly measure Employee Attraction and Employee Retention more than the End Users in Services and Goods.
Please select all the following revenue growth areas that Real Estate and Facilities strategies have an impact on in your organization.

**Overall Responses**

- **We don't believe RE and Facilities support revenue growth in these areas**: 5%
- **Promote Marketing and Sales**: 45%
- **Increase innovation / Idea generation**: 68%
- **Product development / Speed to market**: 41%
- **Support internal and external Customer Service**: 65%
- **Other, please specify**: 6%

Very few, 5%, indicate Real Estate and Facilities have no impact on revenue growth. 65-68% reported there was an impact in revenue growth around increasing Innovation/Idea generation and supporting internal and external Customer Service.

**Other Revenue Growth areas that RE&F have an impact on:**
- Portfolio Optimization and Space Reduction
- Attract Faculty and Students
- Foster Collaboration among staff
- Location and Growth strategies
- Customer Proximity

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Please select all the following revenue growth areas that Real Estate and Facilities strategies have an impact on in your organization.

Responses By End User vs. Service Provider By Industry

Other Revenue Growth areas that RE&F have an impact on:
- Portfolio Optimization and Space Reduction
- Attract Faculty and Students
- Foster Collaboration among staff
- Location and Growth strategies
- Customer Proximity

Service Provider companies with a higher concentration of Knowledge Workers see Promoting Marketing & Sales as being impacted by Real Estate and Facilities by a margin of 34% over End Users.

End Users in the Information and Services Industries regularly measure Product Development.
Please select all the operational improvement areas that Real Estate and Facilities strategies have an impact on in your organization.

Other Operational Improvement areas that RE&F have an impact include:

- Improve collaboration, inclusion, and diversity
- Improved staff loyalty and morale
- Reduce real estate costs
- Sustainability

All respondents indicated they believed Real Estate and Facilities strategies have an impact on operational improvement.
Please select all the operational improvement areas that Real Estate and Facilities strategies have an impact on in your organization.

Other Operational Improvement areas that RE&F have an impact on:

- Improve collaboration, inclusion, and diversity
- Improved staff loyalty and morale
- Reduce real estate costs
- Sustainability

Responses between End Users and Service Providers were consistent in all categories with the exception of Improving Business Unit/User Group product and service delivery.
Output over input is the basic measure of productivity and is how most managers are measured. (Ex: Sales per SF, R&D Innovation per $ invested, etc.)

Relating this to Real Estate and Facilities:

Only 17-23% tie the cost of real estate or square footage used to outputs produced by the Business Unit with an additional 36% reporting “Occasionally.” 33-41% report they “Never” measuring outputs produced by the Business Unit.
Please select all the operational metrics that you capture.

**Overall Responses**

- **Other, please specify**: 6%
- **Technology cost per person**: 29%
- **Attrition rate (employee turn over)**: 45%
- **Employee attraction**: 31%
- **Employee satisfaction rating / scoring**: 62%
- **HR cost per person**: 14%
- **Overall carbon footprint**: 49%
- **Shared Service / Support Staff through-put per person**: 15%
- **Internal and external Customer Service through-put**: 11%
- **Speed to market**: 10%
- **Impact on innovation**: 7%
- **Revenue per person**: 34%
- **Square footage per person**: 76%
- **Real Estate cost per person**: 63%
- **We do not capture Business Unit operational metrics**: 7%

**Other Operational metrics captured**
- FM Service Delivery
- Active Occupancy
- Energy usage per ton output

**RSF/Person and Cost/Person** is consistently tracked between End Users and Service Providers but is higher for End Users. The overall Carbon footprint is higher for End Users than Service Providers.
Do you measure the perception of employee productivity from both the individual employee and management perspective?

Overall Responses

- At the individual employee level: 53% No, 47% Yes
- At the business function / operational level: 58% No, 42% Yes
- At the corporate level: 54% No, 46% Yes

No differences are indicated in measuring perception overall. When viewed by End User vs. Service Provider, Service Providers measure the perception 20-30% more than End Users.
What percentage of your organization is considered "Knowledge Workers"?

Overall Responses

Overall 54% of the respondents reported over 60% of their employees are considered knowledge workers.
What percentage of your organization is considered "Knowledge Workers"?

End User Responses

Service Provider Responses

47% for the End Users and 64% for the Service Providers consider their knowledge worker employees comprising 61% or more of their organization.
Do you have measurements in place to track AWS (Mobility) participants?

Overall Responses

55% No
45% Yes

55% of the End Users and 28% of the Service Providers have measurements in place to track AWS participants. Only 1/3rd of these track productivity.
Do you track productivity related to AWS or worker mobility?

Of the 37% overall that reported they do track productivity, 20% of these companies confirm they also track AWS productivity. The Information and Service Industry End User groups track at higher levels between 19-33%.
Do you track productivity of AWS (Mobile) employees differently than employees on-site in dedicated seats?

Overall Responses

- 6% Yes
- 94% No

Responses did not reflect material differences in tracking AWS employees vs. employees on-site.
How would you rank the impact on productivity levels with the adoption of AWS on a scale of 1 to 5?

Majority of responses either see some impact (3) to significant improvements (4,5) at 68% overall.
How would you rank the impact on productivity levels with the adoption of AWS on a scale of 1 to 5?

Responses of those that answered yes to tracking productivity related to AWS

Of the 22 respondents overall that reported they do track productivity related to AWS, 91% indicate there has been some impact (3) to significant improvements (4,5).
Do you consider your organization innovative in the use of new technology to improve productivity?

Overall Responses

- **Always**: 11%
- **Often**: 36%
- **Occasionally**: 34%
- **Seldom**: 20%
- **Never**: 0%

Overall 47% responded “Always and Often” as an organization that is innovative in the use of new technology to improve productivity, Service Provider reported 54% and End Users reported 39%.
Do you provide sufficient training for the use of new technology?

Overall Responses

- Never: 1%
- Seldom: 20%
- Occasionally: 30%
- Often: 42%
- Always: 7%

Overall 49% report they provide sufficient training for the use of new technology “Often and Always.” End Users in the Information industry are more likely to provide more training more often.
Please select all the tools CRE promotes as currently impacting productivity in the workplace?

**Mobility** - "devices that support the ability to work from anywhere"

**Collaboration** - "devices and technology that promote more productive virtual meetings and communication"

### Top 5 Mobility Tools

<table>
<thead>
<tr>
<th>Tool</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laptops</td>
<td>96%</td>
</tr>
<tr>
<td>Smart phones</td>
<td>45%</td>
</tr>
<tr>
<td>Soft phones</td>
<td>23%</td>
</tr>
<tr>
<td>Remote Access (VPN)</td>
<td>26%</td>
</tr>
<tr>
<td>Web access / Project share sites</td>
<td>26%</td>
</tr>
</tbody>
</table>

### Top 5 Collaboration Tools

<table>
<thead>
<tr>
<th>Tool</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Videoconferencing / ...</td>
<td>60%</td>
</tr>
<tr>
<td>A/V / Projector and...</td>
<td>79%</td>
</tr>
<tr>
<td>Electronic whiteboards</td>
<td>35%</td>
</tr>
<tr>
<td>Desktop / Laptop / ...</td>
<td>74%</td>
</tr>
<tr>
<td>Virtual reality / Instant...</td>
<td>49%</td>
</tr>
</tbody>
</table>

**Other Tools currently impacting productivity**

- Follow me printing
- ThinClient
- Lync, Instant messaging

Service Providers are slightly more progressive in utilizing tools that impact productivity in the workplace, with the Information and Services industries at the highest rates of adoption.
Please select all the technologies CRE is considering to improve productivity

**Mobility** - "devices that support the ability to work from anywhere"

**Collaboration** - "devices and technology that promote more productive virtual meetings and communication"

### Top 5 Mobility Tools
- Laptops: 62%
- Smart phones: 48%
- One phone technology: 49%
- Soft phones: 38%
- Remote Access: 45%
- Cloud document storage and sharing: 33%

### Top 5 Collaborative Tools
- Reservation system: 37%
- Electronic whiteboards: 45%
- Videoconferencing / High def: 57%
- Desktop / Laptop: 54%
- A/V (projector and screen): 33%

**Other Tools currently impacting productivity**
- Changepoint from Compuware
- Communicator, Life Meeting, Telepresence
- Social Media
- Lync

**Newer technologies show the highest levels of consideration.**
What workplace amenities have contributed to increased productivity?

Results

Other Amenities that have contributed to increased productivity

- Variety of settings (standing height workstations)
- Sound masking
Select all the HR success metrics you measure and monitor?

Overall Responses

Success of hiring the best talent: 29%
Cost of training/on-boarding: 27%
Cost of off-boarding: 45%
Employee satisfaction: 66%
Retention rates: 56%
Absence: 35%
None: 17%
Other, please specify: 7%

Comments from Respondents: Most were of the opinion that these metrics were measured by HR and not by CRE.
Do your physical and virtual work environments support flexibility?

93% Overall indicate the physical and virtual work environment support flexibility “Occasionally, Often and Always”
How would you describe your office environment from an assigned/dedicated or open/shared perspective?

Overall Responses

1 = Assigned/Dedicated  2  3  4  5 = Shared

Overall, 54% of Individual work is in level 1-2 Assigned/Dedicated space and 21% for Collaborative space. The Information Industry respondents indicated the lowest levels of dedicated space at 11% and 0% dedicated collaborative space.
Please select the methods you use to measure real-time utilization of your individual and collaborative work areas?

Overall Responses

- Casual observation: 44%
- Ethnography: 36%
- Technology use: 29%
- Bed checks: 17%
- Reservation systems: 25%
- Other, please specify: 3%
- Monthly follow-up on desk allocation: 4%

36% do not perform real-time utilization studies.
Please select the methods you use to measure real-time utilization of your individual and collaborative work areas?

End Users in the Information Industry utilize the bed check methodology extensively while the Service Provider in the information Industry does not relying on Badge Access and Casual Observation.
Please identify impediments you see with cross-functional/departmental collaboration.

<table>
<thead>
<tr>
<th>Impediment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile access across business units/functions/departments</td>
<td>26%</td>
</tr>
<tr>
<td>Dedicated group space vs. open shared</td>
<td>61%</td>
</tr>
<tr>
<td>Internal competition between business units</td>
<td>35%</td>
</tr>
<tr>
<td>Conflict of security</td>
<td>27%</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>17%</td>
</tr>
</tbody>
</table>

Other impediments with departmental collaboration
- Different market sectors of business units
- Differing objectives and priorities
- Distance and time zone differences
- Document Storage
- Entitlement Cultures

The most significant impediment identified is dedicated group space vs. open shared.
Please identify impediments you see with cross-functional/departmental collaboration.

End Users Services Industry reflects a high response indicating a Conflict of Security as a leading impediment to cross-functional / departmental collaboration.
Which of the following strategies would help you achieve better productivity, please select all that apply:

- Workflow and Functional Adjacency Strategies
- Redesign workplace for better work flow: 82%
- Document management digitization and retrieval (digital vs. paper): 67%
- Other, please specify: 4%
Which of the following strategies would help you achieve better productivity, please select all that apply:

Other workplace strategies to improve productivity
- Culture change strategy
- Ample parking

Workplace Environment Strategies

- Ergonomic furniture and accessories (64%)
- Environmental systems (acoustics, lighting, individual control of HVAC, etc.) (51%)
- Access to daylight (65%)
- Renovation and modernization of space (50%)
- Closed work spaces supporting individual work (34%)
- Open and flexible space with space solutions addressing privacy (75%)
- Variety of workplace standards based on work style (62%)
- Consistent workplace standards (39%)

Other, please specify (3%)
Which of the following strategies would help you achieve better productivity, please select all that apply:

![Collaborative Environment Strategies](image)

Other collaborative environment strategies:
- Informal meeting areas in workstation pods
- More conference rooms
- Neighborhoods of groups between 35-50
Which of the following strategies would help you achieve better productivity, please select all that apply:

- AWS work outside the office: 76%
- Inter-office mobility (provide): 70%
- On-site amenities to support: 53%
- Other, please specify: 4%

Other mobility strategies to improve productivity:
- Additional repeaters to support cell coverage
- HR policies and management training for mobility
Which of the following strategies would help you achieve better productivity, please select all that apply:

**Location Strategies**

- Third places to reduce commute time (Satellite office space or smaller office used by employees that live nearby): 55%
- Centralized and / or regional corporate office hubs to support sales and marketing, collaboration and learning: 68%
- Other, please specify: 5%

Other location strategies improving productivity:
- Expansion / adoption of AWS across workforce
- External owned third locations
- Working from home
- Provide necessary equipment and furniture at home sites
Which of the following strategies would help you achieve better productivity, please select all that apply:

**End User Responses**

- Information: 2.17
- Goods: 1.89
- Services: 2.10
- Energy: 1.80

**Service Provider Responses**

- Information: 2.60
- Goods: 1.11
- Services: 1.64

**Other location strategies improving productivity**
- Expansion / adoption of AWS across workforce
- External owned third locations
- Working from home
- Provide necessary equipment and furniture at home sites

**Service Providers in the Information industry demonstrate the highest priority in On-Site Amenities. Service Providers in the Goods industry lag in general.**
Which of the following strategies would help you achieve better productivity, please select all that apply:

Environmental Strategies

- Energy reduction / consumption: 86%
- Carbon footprint reduction goals: 77%
- Recycling: 84%
- Other, please specify: 7%

Other environmental strategies impacting productivity:
- Composting
- Print reduction
- Proper education on Green initiatives so “green washing” doesn’t come into play
- Contracting with environmentally friendly vendors
- Solar projects
Please describe any productivity improvement strategies you are considering in the next few years?

A sample of the responses that we received:

- Better and Increased use of Smart Phones, Tablets, Laptops, more Video/Skype meetings
- Workplace redesign with the aim of Increased collaboration
- Increased Lighting, guidelines for furniture
- Hoteling options for mobile workers, instead of a duplicated assigned space
- Operational Efficiencies and Systemization
- Complete migration to the Cloud, fully wireless office, improved documentation of previous projects for future reference
- Measuring Knowledge Work outputs
- Smaller workspaces due to increase in number of teleworkers and shared jobs
Salient Points

63% of our respondents said that they measure how the workplace impacts corporate office staff productivity

61% said that Real Estate and Facilities always have an impact on organizational productivity

Non-financial and RE related Key Performance metrics that are regularly measured are:
- 75% measure employee satisfaction
- 56% measure both Environmental Impact and Customer Satisfaction

What areas of Revenue Growth areas do Real Estate and Facilities Strategies have an impact on –
- 68% thought it increases innovation and idea generation
- 65% thought RE and Facilities don’t support Revenue Growth

What areas of Operational Improvement areas do Real Estate and Facilities have an impact on –
- Over 80% indicated each of the following – Expense Reduction/Control, Increased Employee Satisfaction, Improved Facilities

Is the perception of employee productivity measured:
- At the individual employee level – 53%
- At the Business Function level – 58%
- At the Corporate Level – 54%

76% of respondents said 50% of more of their employees are Knowledge Workers

80% said that they don’t measure productivity related to AWS or worker mobility

94% track the productivity of onsite and AWS workers in the same way

36% feel that the organization is innovative in its use of technology to improve productivity

Technology tools that are currently used to enable workers to work from anywhere: Laptops and VPN are the most popular, followed by Smartphones and Wireless access throughout facility

Technology tools that are being considered for the future which would enable workers to work from anywhere: Tablets, followed by Laptops and Smartphones

Tools currently being used that promote collaboration: Virtual meeting software such as WebEx, followed by A/V tools such as conference phones and plasma monitors

Tools being considered for future use that promote collaboration: Videoconferencing and Desktop/Laptop videoconferencing such as Skype
Salient Points

Workplace amenities that contribute to increased productivity:
• 63% cafeteria and food service
• 56% informal gathering space

HR metrics that are measured and monitored:
• 66% measure the success of hiring the best talent
• 56% measure retention rates
• 45% measure cost of recruiting
• Some of our respondents noted that HR metrics were only measured by HR, and not by CRE departments

For achieving better productivity -
• 53% feel that a redesigning the workplace for a better work flow would help
• 43% feel that Document Management Digitization and retrieval would help
For further questions, please contact:

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