
Making the Case for a Space Management System

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ASSETWORKS INTEGRATED WORKPLACE MANAGEMENT SYSTEMS

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Executive Summary

Challenge

Space managers face complex challenges every day. On the one hand, they are under tremendous pressure from constituents with competing agendas regarding space allocation. On the other hand, they must play host to their colleagues in the physical plant over data configuration and ownership issues. It's against the backdrop of these challenges that space managers must leverage space management systems to ensure the proper allocation and utilization of space, contain costs, and adhere to institutional and industry policies and standards.

Opportunity

Careful consideration of a comprehensive space management system yields a wide variety of indispensable analytical tools. Utilization analysis, space planning, indirect cost recovery and grant tracking are among the many benefits afforded by a properly configured space management system. Organizations can make better use of the space they have, generate revenue, reduce costs and increase the productivity and efficiency of their staff.

Benefits

A properly configured space management system—one that considers the short and long term goals of the organization—can provide accurate data to pinpoint the total cost of owned and leased space across the organization. It also supports metrics configured for the organization that readily compare with other organizations based on established standards. With such a system in place, organizations can accurately measure space and accurately track utilization enterprise-wide. And as part of a comprehensive IWMS deployment, effective space management brings greater visibility, accountability, transparency and optimization to the organization.

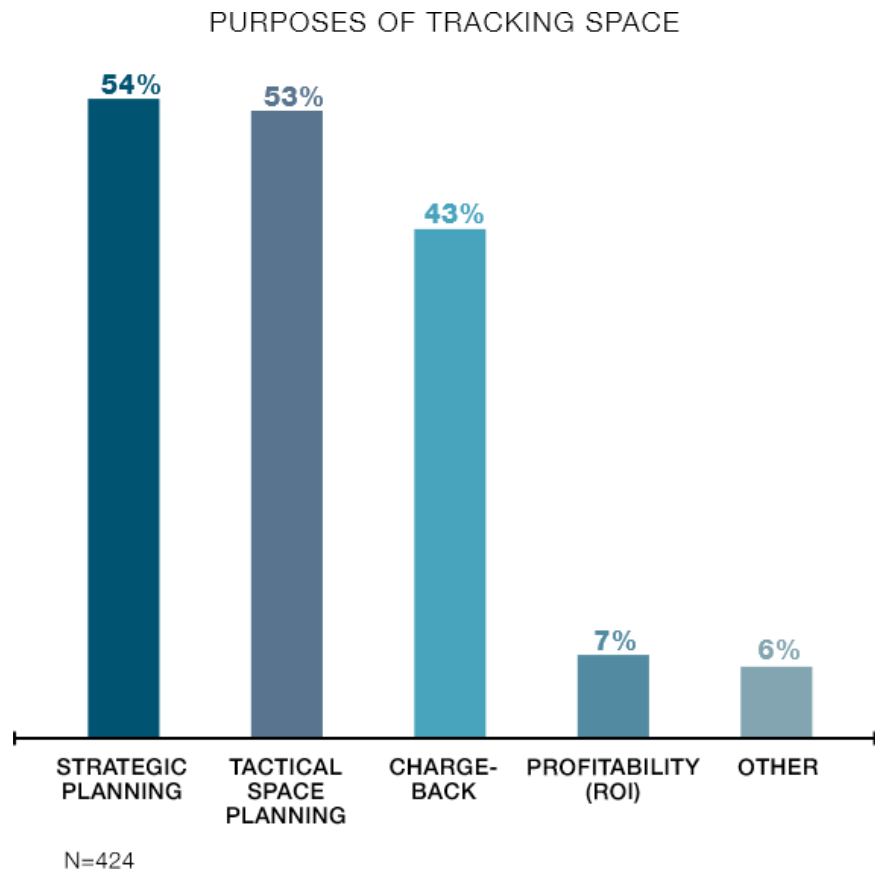
Space Management Can Be an Organizational Challenge

Implementing a sweeping space management strategy can be a bit of a challenge for any organization. First, building tenants view space managers with a degree of suspicion, because space managers often stand between them and the square footage they desire. It's a common lament: "I know there's space available in this building, so why won't you give it to me?" But space managers understand something tenants don't; space allocation is governed by a set of established occupancy criteria that essentially dictate who gets what. It's a challenging situation that pits the interests of the building tenants against the realities of the occupancy model.

Secondly, many organizations acquire Integrated Workplace Management Systems (IWMS) with operations and maintenance as a primary consideration. From the outset, all eyes tend to be fixed on the physical plant. In this context, it can sometime be difficult to amalgamate space management into the mix. When organizations eventually configure location data under the space management model, it demands a significantly greater level of detail than the configuration applied under the O&M model. Often, such circumstances require a complete retrofit of the data. This can bring to light the differing space data needs of space managers and the physical plant.

Given these challenges, one might ask why organizations engage in space management initiatives at all. To answer this, it may first be helpful to delve one layer deeper to understand why organizations track space in the first place. The results of a 2010 study underwritten by the International Facilities Management Association (IFMA) show that most organizations leverage space management for space planning ("what if" scenarios, organizational occupancy analysis, etc.) and cost recovery (see Figure 1). As we'll see, these results tie in nicely with the principal reasons for adopting a comprehensive space management system.

Figure 1: Purposes of Tracking Space



Source: IFMA Research Report #34, "Space and Project Management Benchmarks," 2010.

More than Just a Planning Tool

A well thought out space management system can provide a wide variety of analytical and data tracking capabilities, such as:

- **Utilization Analysis** – Comparing how space is being utilized building to building and department to department across like types of space. A more granular level of analysis looks at utilization efficiency, e.g., spaces left vacant during "down times" (weekends or evenings) or buildings that are open on a 24/7/365 basis that may not be fully utilized at various times or dates.

- **Support for Grant Tracking and Justification** – Depending on how large the research component is at a given institution, grant funding could be worth millions of dollars. Having accurate space data (occupancy, utilization, etc.) supports the justification and reporting of those grants.
- **Indirect Cost Recovery and F&A Reporting** – Good quality space data supports indirect cost recovery and facilities and administrative (F&A) submittals and provides ample information and data for reporting on each of these.
- **Space Planning and Analysis** – Leveraging “as built” space data as a starting point to plan and forecast future space utilization.
- **Custodial Staffing Estimates** – Information on different types of space and their space footprint can provide accurate data on custodial needs, whether it is provided by fulltime equivalents (FTEs) or contracted labor. Anecdotally, organizations are finding that they are paying for custodial and similar services for “unused” space (e.g., space inside the wall), which can be quite costly.
- **Hazardous Materials Tracking** – Good space data is an excellent stepping off point for the tracking of hazardous radiological, biological and chemical materials. As such, hazardous materials data for a given space is available to emergency services personnel *before* something goes wrong.
- **Standardization** – A comprehensive space management system is the source for all institutional space and location data. In many cases, there are four or five different data sets in use within an organization, each with their own building and room numbering and tracking schemas. Space management enables organizations to standardize on one data set so that users of the system can provide work location information or key/lock information without ambiguity.

- **Way Finding** – Relying on space data to provide accurate point-to-point way finding capabilities.

At this point, it is important to emphasize that *how* the system is configured is at least as important as *what* it does in support of the organization's needs. All too often, space management systems are implemented with present day needs in mind rather than future needs. In configuring the system, it is advisable to look to future data and reporting needs and work backward from there. What's more, many US states maintain space reporting requirements for which state institutions must report space data. Having accurate and properly configured data is paramount to meeting those requirements.

Space = Cost

Among the many great misconceptions regarding space is the belief that “we have the buildings, so the space is free.” Not so. There are a litany of costs associated with space, and without accurate data, organizations are wont to specifically pinpoint what the *total* costs are. How the space management system is configured can either support or undermine capturing accurate cost data. Organizations must consider their long and short term goals as part of the configuration. The space management system can then be configured to support those goals rather than be an impediment to them. And it is important to support metrics that are configured for the organization or readily compare with other organizations, e.g., the APPA Scorecard. However, such comparisons must be apples-to-apples comparisons, or they become meaningless. That's why standards exist in the first place.

Today, space managers face a number of compelling issues, none the least of which are the following:

- Low space utilization rates
- Space allocations and utilization are reviewed too infrequently, especially in the case of labs and offices

Here again is why developing and enforcing policies and standards is so essential to effectively managing space. These policies and standards must also have buy-in and support from the highest levels of management to be successful. Absent of policies and standards, the situation tends to devolve into the realm of politics rather than analytics. Bottom line: knowledge is power, but space has to be accurately measured and utilization must be accurately tracked to ensure success.

Corporate space managers face similar issues, especially when it pertains to internal “turf wars” and utilizing space more efficiently. Collaborative occupancy—where people are grouped by project, workgroup or function—is growing in popularity. Collaborative occupancy can be a more efficient approach, especially when it comes to moves and utilization. However, politics can still creep into the mix, because the “haves” (the groups that have the money) sometimes tend to drive space management policies in place of having an overarching space management policy.

Space Management Completes the IWMS Vision

IWMS represents the seamless integration of five core functional pillars that are sometimes referred to as “ERP for everything else.” The comparison with ERP isn’t spurious; IWMS manages an organization’s second largest balance sheet item: its facilities and real estate portfolio. And space management completes the vision of IWMS by offering support in four key areas:

1. It provides **VISIBILITY**, offering a window into space utilization and associated costs and their effect on capital programs
2. It fosters **ACCOUNTABILITY** by proving a complete record of all space data and associate costs
3. It promotes **TRANSPARENCY** by providing instant access to baseline reporting and shared access to space data across the organization
4. It spurs **OPTIMIZATION** and generates **CASH** through more efficient utilization of space and aggressive cost recovery.

In essence, space management is the lynchpin in any organization's IWMS strategy. It provides a comprehensive solution that complements the other functional pillars of IWMS by supporting facilities and space utilization analytics, "what if" utilization scenario planning, move management, organization occupancy analysis, CAD integration, indirect cost recovery and a host of other capabilities. And experience tells us the benefits of implementing a space management system as part of a comprehensive IWMS deployment far outweigh any of the potential challenges that may crop up along the way.

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About the Author

Steve Hanes has over 26 years of experience in the practical application, implementation and use of enterprise-wide Facilities Management and Space Management solutions. Mr. Hanes' professional experience includes consulting work with organizations in the higher education, state government, healthcare, manufacturing, warehousing and telecommunications industries. He has provided Space Management consulting services to over 100 colleges and universities, Compaq Computer Corporation, and several retail chains. His previous employers include US Sprint and the University of Texas— M.D. Anderson Cancer Center.

Mr. Hanes background and experience include taking systems from concept through analysis, design, development and testing into production. He is currently responsible for the Space Management/Real Estate product line at AssetWorks, which includes space utilization tracking, space analysis, space survey tools, and CAD integration. In his spare time he enjoys boating and wine tasting (not simultaneously) with his wife of 24 years, Erin.

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