

Building business case for workplace change



In today's session we'll cover

- **Why take a data driven** approach to develop a robust business case for workplace change
- **What a strong** business case should look like
- **Key stages** of developing a business case
- **Highlight the key takeaways**
- **Q&As**



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Why take a data driven approach

Workplace is
a powerful
business tool

Complex operational
asset

Workplace is
changing
Demand
Vs
Supply

Proactively managed
Monitored
Forecast
Costs control

Maximise
organisational
and economic
benefits

Reduce costs
Avoid costs
Enhance employee experience



What a strong business case should look like

A strong business case should be

1. Evidence based

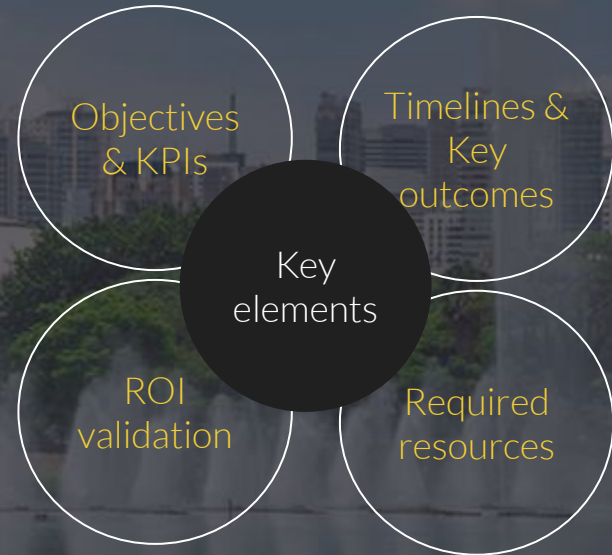
Well researched solution

2. Fit to business needs

Aligned with strategic objectives and compelling to key stakeholders

3. Commercially viable

An ROI-based solution delivering tangible value for money and/or employee experience



Key stages of developing a business case for workplace change

1. Preparatory stage

2. Data gathering

3. Justify costs ROI assumptions

2.1 Validate challenges opportunities

2.2. Research solutions

Define objectives
Scope metrics

Collect workplace data to
validate assumptions
Research solution options,
costs and timing

Compare potential gains
against associated costs

Outcomes



Step 1: Preparatory stage

Define objectives and success metrics

The process:

- **Assess** situation, challenges, opportunities
- **Define objectives** of the initiative
- **Identify stakeholders** and their gains
- **Decide on the scope** and timing
- **Communicate** the idea to the stakeholders, test support/resistance levels

Outcomes of step 1:

Define objective, scope and metrics for your workplace initiative success

Examples of success metrics for workplace change

- Cost saving opportunities (CS)
- Cost avoidance opportunities (CA)
- Employee experience improvement opportunities

TIPS

Get stakeholders on board early.

Choose achievable, clear and measurable success metrics.



Step 2: Data gathering

Support your business case for change

Step 2.1 Validate current challenges and potential opportunities for improvement with hard data

Examples of data to collect to support your business case

- Space utilisation
- Current and projected costs, per desk, per head
- Number of workplace related complaints
- Levels of employee satisfaction, turnover rates
- Performance of your workplace against the rest of the portfolio

Ways to collect data as a part of business case preparation

- Utilisation surveys
- Internal documents/analytics
- Employee experience surveys, interviews
- Industry reports

What others are doing

66% companies globally monitor workspace utilisation*

Of these, 55% use utilisation data to build business cases *

**Source: JLL Occupancy Benchmarking 2019*

TIP

Get hold of best practices, industry standards and/or other sites performance in your portfolio to benchmark your data and validate the need for change

Step 2: Data gathering

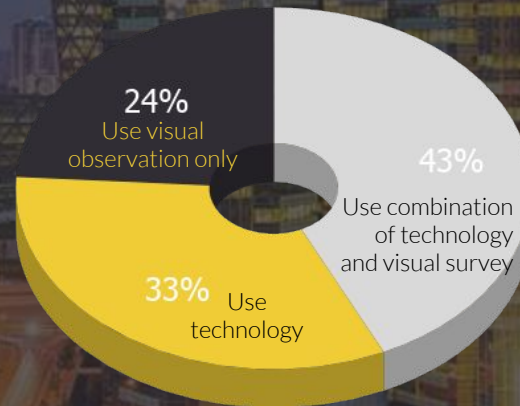
To support your business case for change

Step 2.2 Researching your options

Gain good understanding of what it would take to implement the initiative

- Relative merits of different solutions
- Budget requirements and other resources needed
- Timing required, key stages

Utilisation measurement methods
% of all companies monitoring space utilisation



TIP
CONSIDER UTILISATION
MEASUREMENT OPTIONS

Options for collecting space utilisation data on prep stage and further:

- In house or outsourced solution
- Visual or automated utilisation survey
- Automated: Survey pilot (3 months) vs full term solution (1-2 years)

Step 3: Justifying costs

Building ROI assumptions

$$\text{Return on Investment \%} = \frac{\text{Gains £} - \text{Investment £}}{\text{Investment £}} \times 100\%$$

Net gains £

Types of gains from a workplace change initiatives

- Total cost of workspaces saved
- Number of workspaces freeing up to accommodate new recruits (desks) or new headcount to accommodate
- Estimated reduction of required office space (sq ft) or gross annual rental cost of that space (GBP)
- Reduced cost of churn as a result of lower employee turnover (can be up 1.5-2X their annual salary*)

Example: Introducing desk sharing in a new office

Gains: Anticipated annual rental savings from decreasing desk number by 30 desks

Costs: The cost of running a sensor based space utilisation survey = £Y

ROI = (cost of saved 30 desks on a 1y basis - cost of survey) / cost of survey =

$$\frac{30 * \text{£}400 * 12 - \text{£}Y}{\text{£}Y} = 840\%$$

*Deloitte Research

Propelling your workplace change forward with a strong business case

1. **Using a business case** approach to promote a workplace change initiative helps get the necessary support and budget approvals
2. **Well prepared business cases**
 - a. Demonstrates economic viability of the initiative
 - b. Justifies a fit for broader strategy
3. **There is a fair amount of data collection** and research of available solutions to do on every stage of a business case preparation, in proportion with the scale of change
4. **Cost reduction and cost avoidance opportunities** are some tangible gains commonly used in an ROI calculation but it's ok to use alternative metrics as long as they are clear and relevant to your organisational objectives

ROI-based business cases for workplace change drive investments into workplace performance and employee engagement research.

Results

- Better workplace environment
- Better employee experience
- Costs optimisation

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