

Strategic Portfolio & Operations Planning

Targeted Solution - Improved Operations & Productivity

OBJECTIVE

The client engineers, constructs, and maintains large-scale industrial boilers. Their current campus setting was designed in the 1970s and had a favorable lease which was due to expire in 3 years. The campus was no longer in well maintained condition, had poor space efficiency and was not conducive to a productive work environment for knowledge based workers. The company was having difficulty recruiting and retaining a younger workforce. Our objective was to develop business models to compare remaining on the current campus (renewing lease) vs. relocating to a build to suit environment.

APPROACH

Programming and Data Collection

- Site visits and facility layouts
- Organizational and employee data (Headcounts, turnover, org charts, etc.)
- Interview management and project stakeholders

Strategic Assessment

- Benchmark performance (operating cost, space utilization, etc.)
- Analyze workflow, workplace strategy and operational efficiency
- Analyze financial costs to determine potential impact

Decision Modeling

- Weight criteria to create an evaluation system
- Gain internal consensus using evaluation system so that all projects are evaluated the same

Recommendation

- Develop multiple solution sets to compare alternatives
- Use the results from the Decision Model to weight the results

SOLUTION

Increased Space Utilization

- New building reduces overall footprint by 100,000+ SF from 511,000 total SF
- Increased collaboration and team spaces

Reduced Operating and HR Costs

- Decrease recruiting and retraining costs by \$400k per year from improved retention rates
- Workplace strategy and process efficiencies expected to increase engineering workforce productivity by 5% saving \$3.8M annually
- Ability to segregate and sublease parts of new campus in case of decreased workforce
- Cost of new space lower than existing space within first year

Increased Competitive Presence

- Better position to compete for young talent
- Increased ability to retain employees
- Reduced risk from loss of space

