

VOLUME 4: POST-COVID WORKPLACE

AN INTEGRATED REAL ESTATE APPROACH TO YOUR WORKSPACE

JANUARY 2021



marguliesperruzzi

EXECUTIVE SUMMARY

TABLE OF CONTENTS:

- 1 | Leading & Managing Change
- 2 | Human Resources
- 3 | Finance
- 4 | Property Technology
- 5 | Architecture & Design
- 6 | Engineering & Safety
- 7 | Summary

Remote work is here to stay.

The transition to a post-COVID workplace will require a **broad spectrum of expertise**. This report **provides insight from some of our key industry partners.**

1. Leading & Managing Change

“Management makes a system work. It helps you do what you know how to do. Leadership **builds systems or transforms old ones**, mobilizing groups of people into a **better future**.”

Dr. John P. Kotter | Chairman
Kotter

1. LEADING & MANAGING CHANGE

HUMAN HARD-WIRING

Consider triggers and associated responses to change. Be intentional about **role modeling, communications, and behaviors** that encourage a healthy “Thrive” mode in your people. Stay alert for triggers that could lead to overheated “Survive” responses.



Survive

THREAT-SEEKING RADAR

Laser-focused
Increased heart rate
Fear, anxiety
Fast problem-solving

Thrive

OPPORTUNITY-SEEKING RADAR

Broadened perspective
Increased energy
Passion, excitement
Collaboration, innovation

Principles of Change Management:



Management + Leadership

Combine vision, opportunity, innovation and celebration with essential processes like project or resource management, budgeting and execution.



Head + Heart

Feed the brain's need for data and logic while also appealing to the genuine human desire to contribute to a bigger cause.



Have To + Want To

Maintain accountability for essential responsibilities while also providing opportunities for people to volunteer outside of their day job.



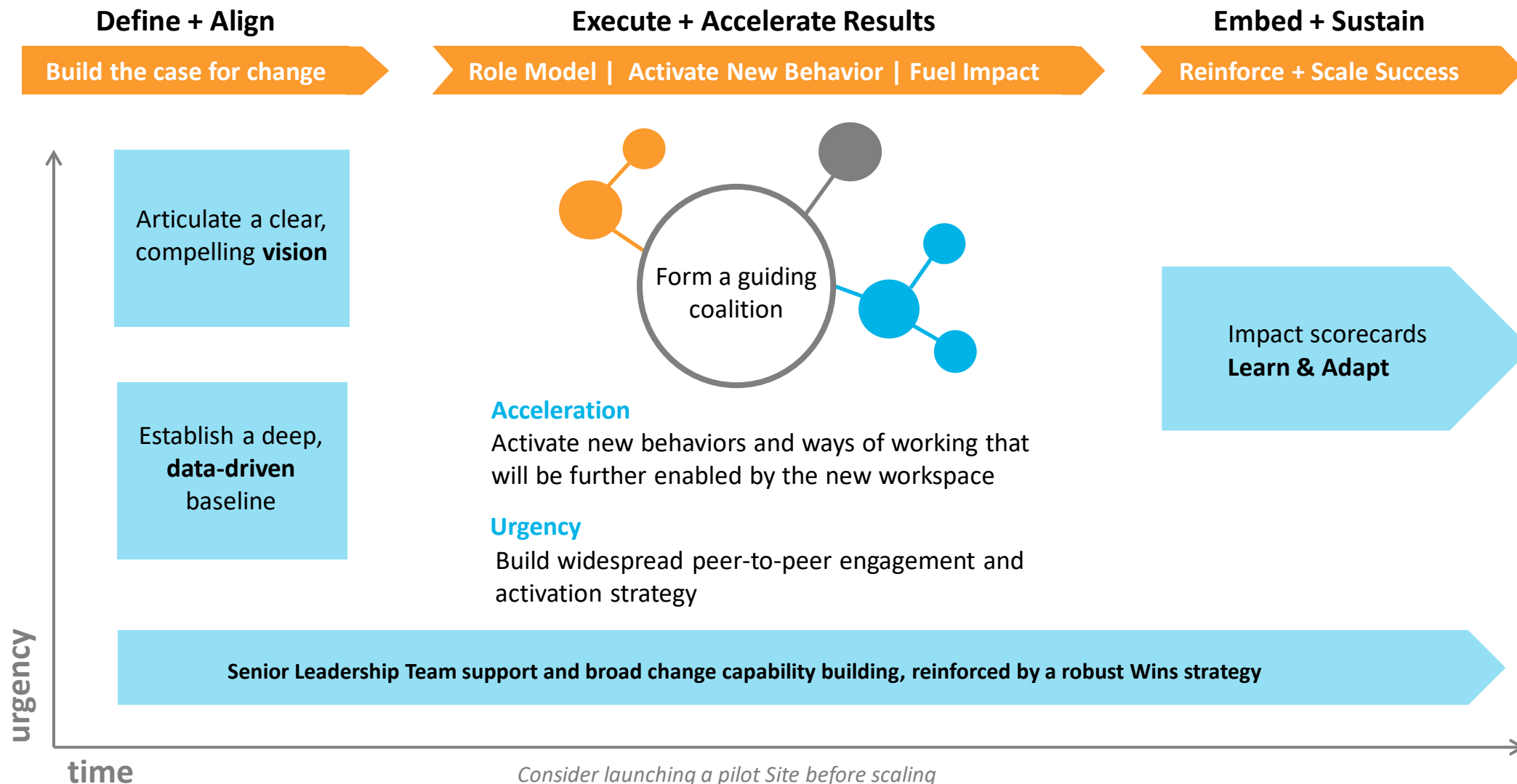
Select Few + Diverse Many

Some activities and decisions are most effectively accomplished by a small group of experts, but diverse groups of “unusual suspects” are uniquely powerful.

1.

Leading & Managing Change

A Framework for Change: Key Actions



2. Human Resources

2. HUMAN RESOURCES

WHAT ARE YOUR REMOTE WORK POLICIES?

The scale of a mobile work program should be **uniquely suited to each company**.

In this report we will explore four general remote work profiles:

Traditional

Flexible

Balanced

Lean

**Is your company new to mobile work programs?
Here are some questions you should consider:**



Which groups are most **productive in the office**?



How important is **in-person interaction** to the desired culture?



How can you ensure employees have **adequate equipment at home**?



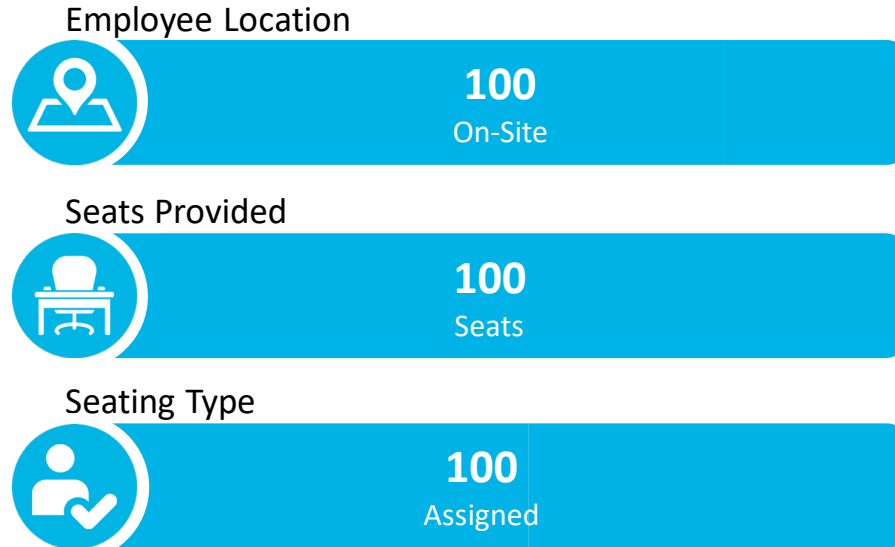
Which employees or groups require **assigned seats**?



Can you **effectively manage** a reduced in-person population?

2. Human Resources: Remote Work Profiles

Traditional Profile



Overview:

This model reflects much of the pre-COVID workplace where all employees came into the office and each had their own assigned workstation.

This might work for you if:

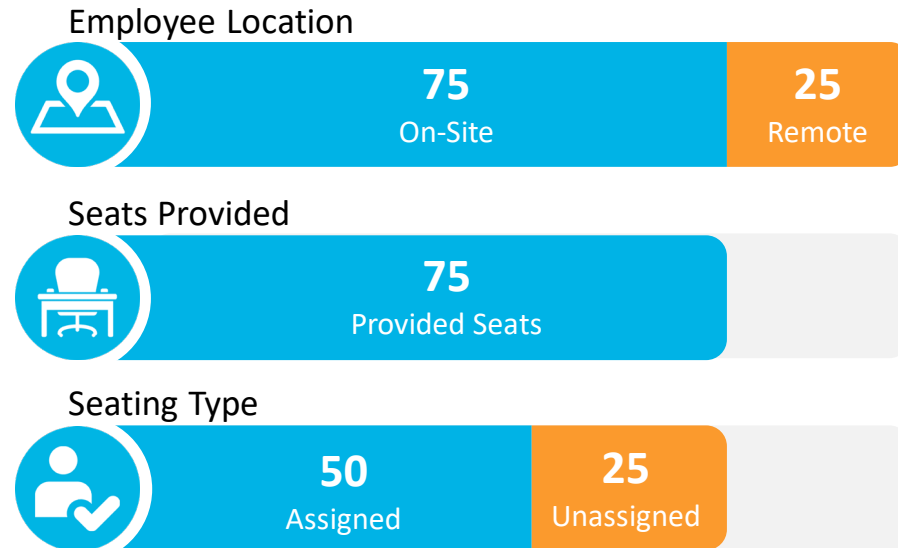
- Work from home is ineffective or discouraged.
- Management depends largely on in-person interaction.
- Socialization through spontaneous interaction is critical.
- Individual workspace is prioritized over collaboration space.

Things to consider about this profile:

- It supports a social work culture.
- Productivity doesn't rely on employee's at-home work settings & equipment.
- It likely means planning for an increase in office square footage to allow for adequate social distancing.

2. Human Resources: Remote Work Profiles

Flexible Profile



Overview:

This model assumes 25% of the workforce will work remotely, so seats for only 75% of the staff are provided. Of the available seats, a portion are unassigned, allowing for further flexibility and employee choice as well as providing seating options for employees when they are in the office.

This might work for you if:

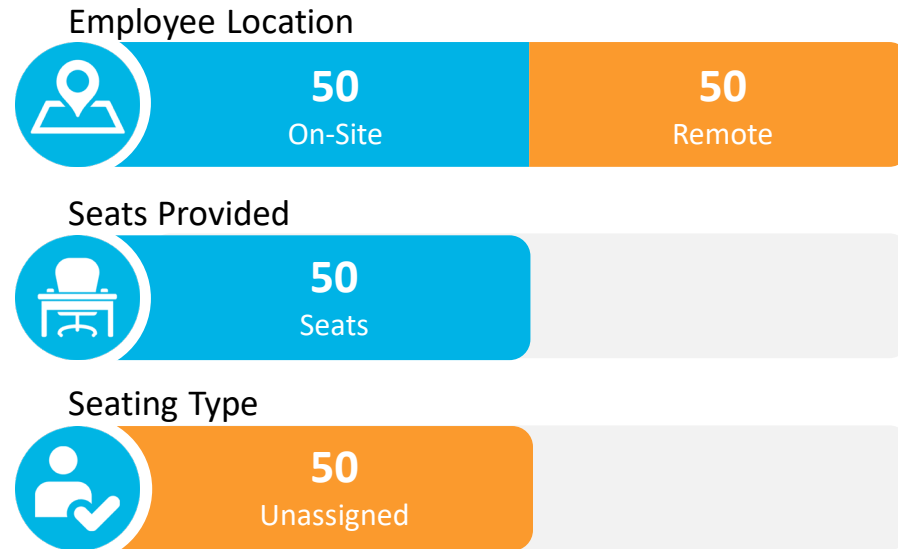
- Work from home is supported on an as-needed basis.
- Management, though most effective in person, can be done via virtual interaction.
- You're looking for a flexible activity-based work setting but several job functions still require office resources or work settings which are more amenable to assigned seating.

Things to consider about this profile:

- It supports a social work culture for those in the office.
- It provides flexibility and choice for employees.
- Remote workers will need adequate equipment and appropriate work settings to maintain productivity.

2. Human Resources: Remote Work Profiles

Balanced Profile



Overview:

This model assumes only half the workforce is expected in the office at any given time. All seats provided are unassigned to allow for maximum flexibility and choice within the office as well as space for remote workers.

This might work for you if:

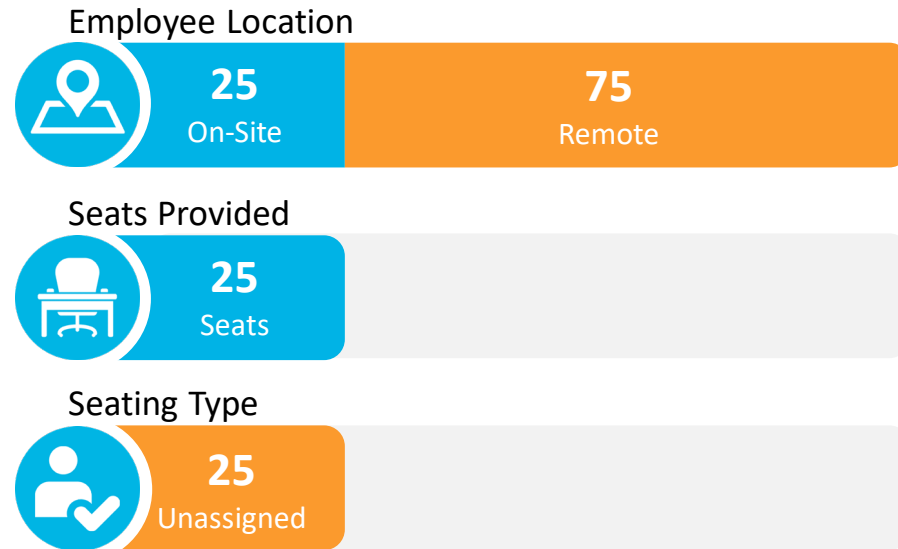
- Work from home is strongly supported and encouraged.
- Management is effective both in-person and through virtual interaction.
- Employees work well in both a flexible, activity-based work setting as well as a virtual setting.
- Personal workspace and collaboration space are equally prioritized.

Things to consider about this profile:

- It supports a social work culture for those in the office.
- It provides flexibility and choice for employees.
- Remote workers will need adequate equipment and appropriate work settings to maintain productivity.

2. Human Resources: Remote Work Profiles

Lean Profile



Overview:

This model assumes that remote working is the typical scenario for employees. A few unassigned desks are provided for employees who are in the office on an as-needed basis.

This might work for you if:

- Employees have a job function that requires them to be on the road or in client offices.
- Management can be done completely by virtual interaction.
- The office space only needs to act as a touch point for employees.

Things to consider about this profile:

- Remote workers will need adequate equipment and appropriate work settings to maintain productivity.

Example of a Remote Work Policy

Remote work HR policies will differ for every company.

This is one example of how a policy is implemented in order to determine how much of your staff may work from home.

Eligibility Requirements

Employee must:

- be in good standing
- demonstrate self-discipline and motivation
- have a position that does not require significant face-to-face interaction or extensive use of office equipment
- have proper remote workspace including telephone lines, internet access and furniture

Participant Expectations

Employee must:

- work a regular, agreed upon schedule
- be accessible by phone and computer during work hours
- maintain appropriate levels of productivity and quality of work
- attend the office in-person when specific event require attendance
- forego a dedicated workspace in the office if working remotely 2 days or more per week
- maintain office equipment in good working order and use only for work-related tasks

Accommodations

Company will provide:

- a one-time stipend per employee to assist setting up a proper home office environment

3. Finance

“Real estate is only one cylinder in the organizational engine. The workforce, technology, supply chain, finance and operations must all **work together** to achieve success. Real estate professionals need to help **align them all to ensure the whole is greater than the sum of the parts.**”

Jonathan Keefe | Director - Program for Real Estate Studies

Jon Keefe
■CONSULTING■

3. FINANCE

WHAT ARE THE FINANCIAL IMPLICATIONS OF THE VARIOUS HR POLICIES?

When exploring a remote work policy, HR considerations are only part of the equation. As with any big decision, **financial implications must also be studied.**

To illuminate the financial decision-making process, we will analyze a hypothetical **100-person company** and illustrate the financial impact of each of the four remote work profiles

Hypothetical Cost Assumptions



LEASE ASSUMPTIONS

- 7 yr** lease term
- \$50/sf** in rent increasing \$1/sf per year
- \$75/sf** tenant TI exposure after landlord allowance
- \$50/sf** for tenant furniture and IT as part of fit-up



REMOTE IT COSTS

- \$1,000** one-time cost per full-time employee for remote work set-up (monitor, chair, camera, etc)
- \$600/yr** remote work stipend per employee to offset costs of higher internet bandwidth, IT requirements, etc.
- 3%** assumed inflation on one-time home set-up and stipend
- 10%** assumed employee turnover, requiring additional one-time remote set-up costs

3.

Finance

Total Cost over Lease Term

PRE-COVID (125 SF/PP)

Traditional
12,500 sf

\$6.2M

POST-COVID (200 SF/PP)

Traditional
20,000 sf

\$9.9M

Flexible
15,000 sf

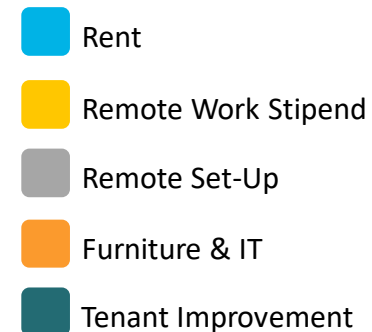
\$7.6M

Balanced
10,000 sf

\$5.3M

Lean
5,000 sf

\$3M



3.

Finance

Total Cost Per Employee Over Lease Term

PRE-COVID (125 SF/PP)

Traditional
12,500 sf

\$62K

POST-COVID (200 SF/PP)

Traditional
20,000 sf

\$99.2K

Flexible
15,000 sf

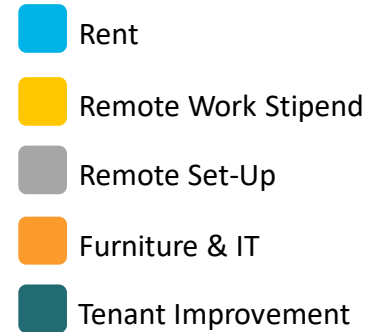
\$76K

Balanced
10,000 sf

\$52.8K

Lean
5,000 sf

\$29.6K



3.

Finance

Total Initial Cost

PRE-COVID (125 SF/PP)

Traditional
12,500 sf

\$1.6M

POST-COVID (200 SF/PP)

Traditional
20,000 sf

\$2.5M

Flexible
15,000 sf

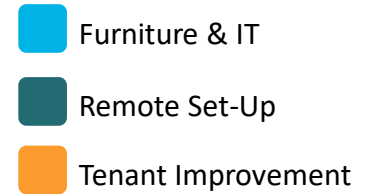
\$1.9M

Balanced
10,000 sf

\$1.3M

Lean
5,000 sf

\$0.7M



\$0 \$0.5M \$1M \$1.5M \$2M \$2.5M

4. Property Technology

“Real estate technology has gone from a ‘nice to have’ to a ‘must have’ in order for landlords and tenants to make the most informed decisions of how to most **efficiently utilize and operate their spaces.**”

Michael Beckerman | CEO



4. PROPERTY TECHNOLOGY

HOW CAN NEW TECHNOLOGIES SUPPORT YOUR WORKPLACE?

Previously considered as nice-to-have, many technologies are now becoming **essential companions** to three key facets of workplace optimization:

Facilities Management

Employee Experience

Property Management

Here's just some of what property technologies can enhance for you:

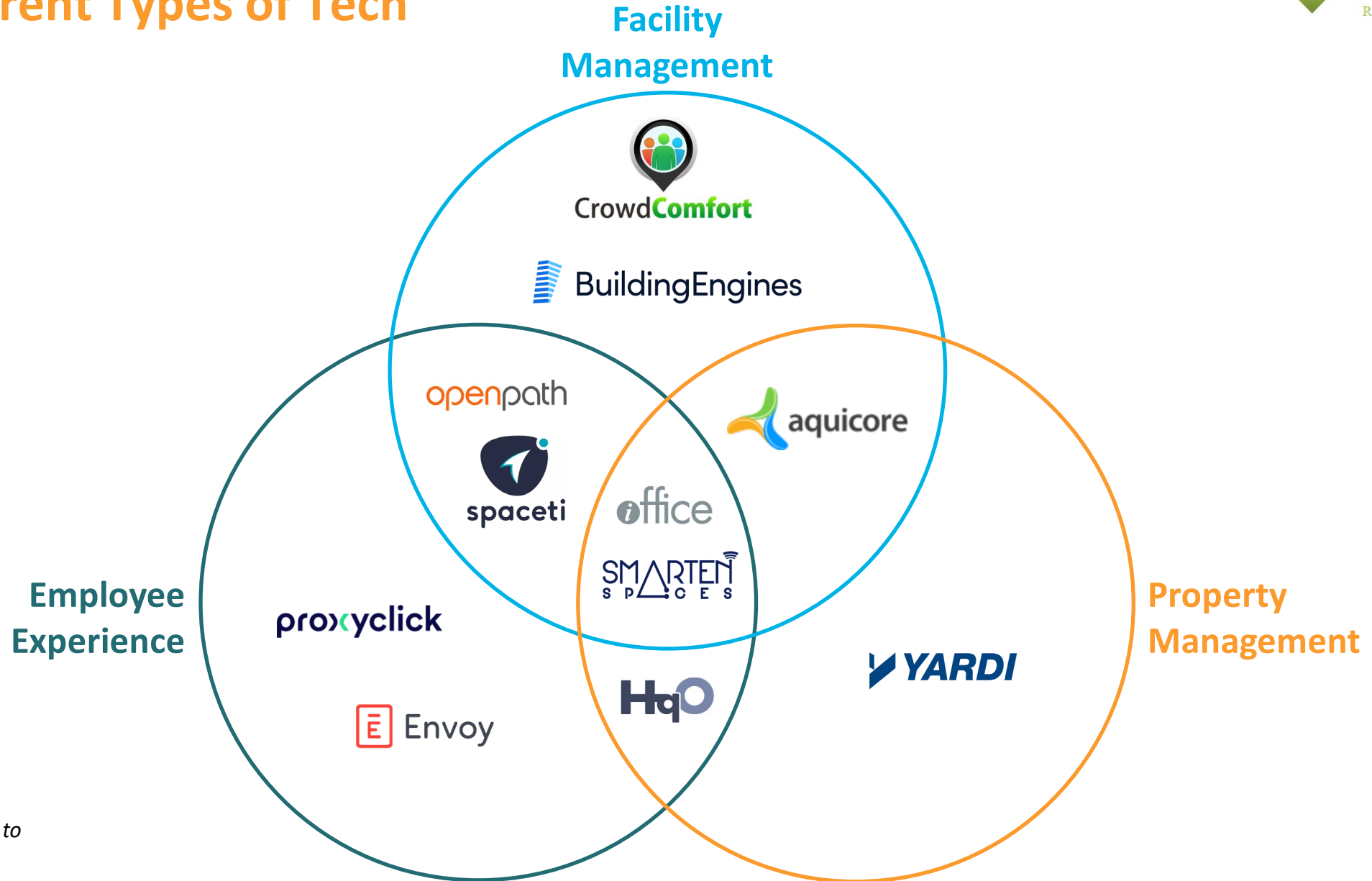
- visitor management
- space utilization metrics & mapping
- occupancy monitoring
- streamlined facilities requests
- touchless access
- tenant engagement
- air quality sensor applications
- facilitate user-controlled environments
- app-based vending and beverage dispensers
- support for increased video conferencing
- increased connection to remote coworkers

4.

Property Technology

Different Types of Tech

marguliesperruzzi



Click the company logo to learn more about them

5. Architecture & Design

5. ARCHITECTURE & DESIGN

2021 BUSINESS DRIVERS

Generational and work from home policy changes in the workplace have influenced **what is important to employees**, resulting in a shift of business drivers:

Organizational Culture

Well-being

Flexibility / Adaptability

Innovation

Collaboration

Considering changes to your workplace?

Here are some questions you should examine:

- Assuming more people will be working from home, what will be the driver for people to come into the office?
- Effective collaboration now requires different spaces than those designed to support a high percentage of workstations. What types of collaboration best supports your way of work?
- How will you make your workspace feel safe and healthy so employees can comfortably return?

The Shift in Workplace Design

Demand for Workspace Types



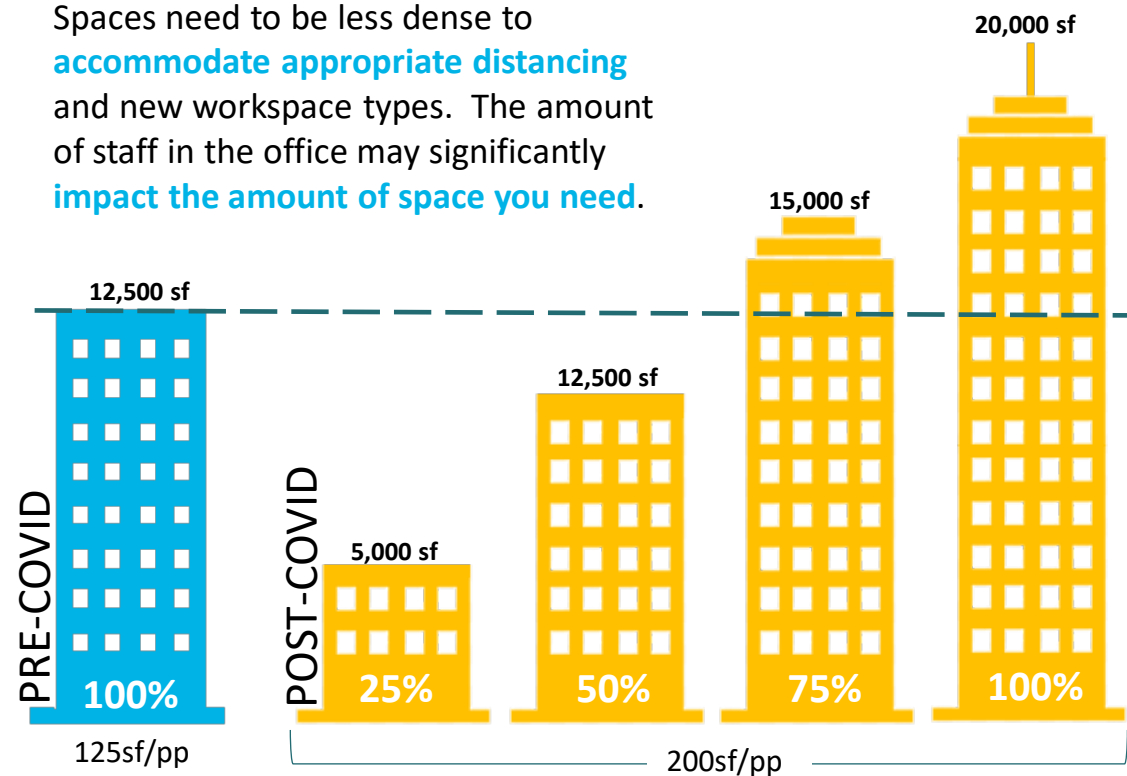
Individual **assigned workspace** will decrease while the need for **group collaboration, multi-use, and quiet focus spaces** will grow.



% Staff in the office relative to required real estate

Based on a 100-person office

Spaces need to be less dense to **accommodate appropriate distancing** and new workspace types. The amount of staff in the office may significantly **impact the amount of space you need**.

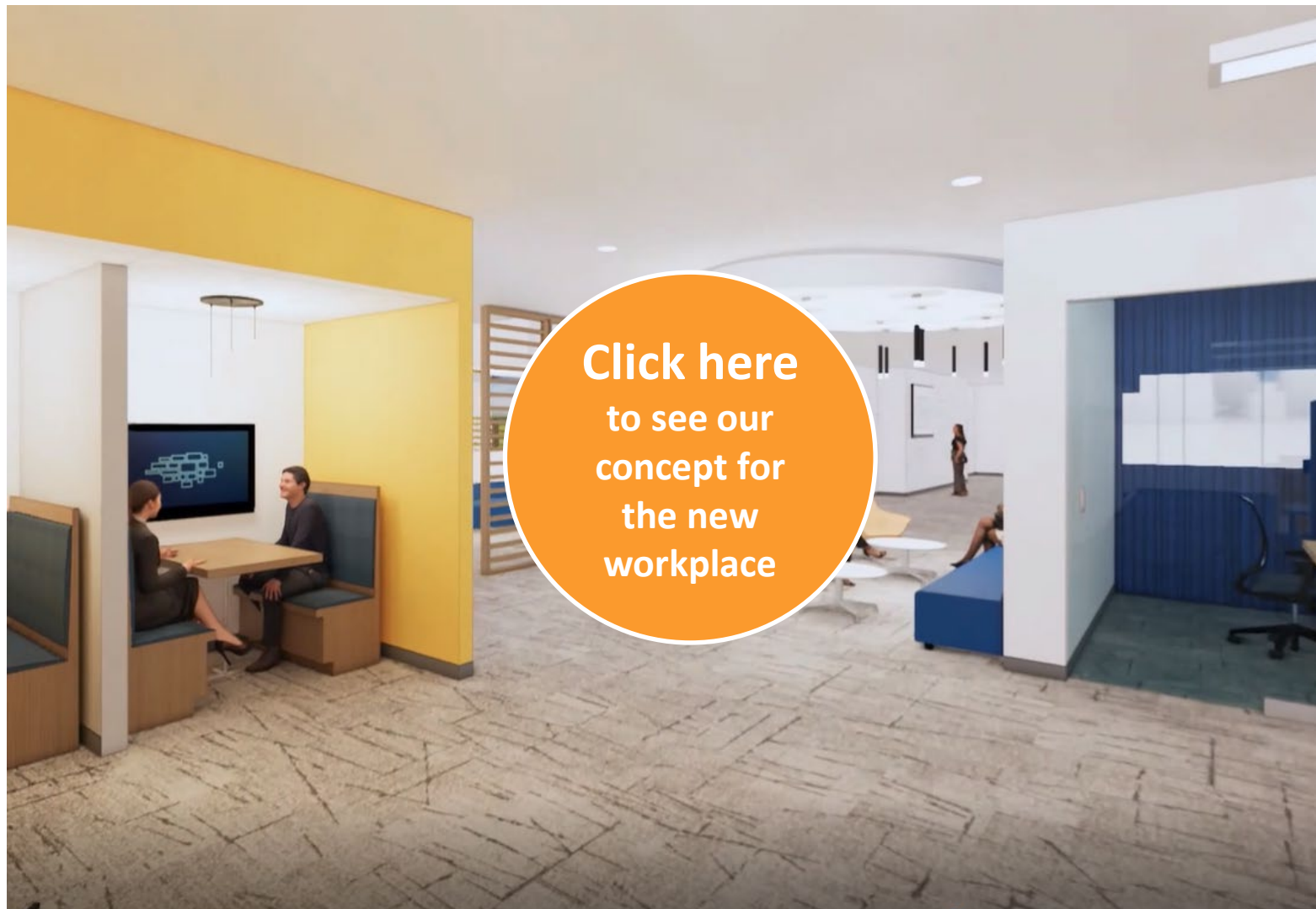


5.

Architecture & Design

The Shift in Workplace Design

marguliesperruzzi



6. Engineering & Safety

“The discussion about the appropriate system selection and fit-out strategy for each company is dependent upon the **type of operation** (office/lab) and culture of the company. Annual rent costs, operating costs and TI fit-out **costs are directly proportional to the square footage** leased by each tenant. Capital costs and operating costs are major drivers of any project.”

Alan Ames | President
BRA+

6. ENGINEERING & SAFETY

WHY IS GETTING ENGINEERING RIGHT IMPORTANT?

Experience with the **project type** is essential.

Regulatory and safety requirements **affects all aspects** of any project.

Delivery of a safe and healthy environment is a **full-team responsibility**.



The workplace means something different for everyone, and **each different type of workspace has its own engineering requirements** that need to be considered



7. Summary

7. SUMMARY

STEP-BY-STEP GUIDE TO EXPLORING CHANGE

1. Determine your corporate **willingness to change** and how to **build consensus around change**.
2. **Establish guidelines** for mobile work and HR policies.
3. Confirm the **financial implications**.
4. Introduce property technology to **manage space utilization** on an ongoing basis.
5. Establish **architectural, design, and engineering** principles.

Final thoughts:



Workplace change does not happen in a vacuum, many viewpoints must be considered.



Mobile workers and remote workplaces are going to remain more prevalent than ever.



Workplace and facility operations will need to adapt in order to support the remote workforce.

HOW CAN MARGULIES PERRUZZI HELP?



Tim Bailey, AIA, LEED AP BD+C
Senior Architect | Associate Partner
tbailey@mparchitectsboston.com



Dianne Dunnell, IIDA, NCIDQ, LEED AP, CMS
Workplace Strategist | Associate Partner
ddunnell@mparchitectsboston.com

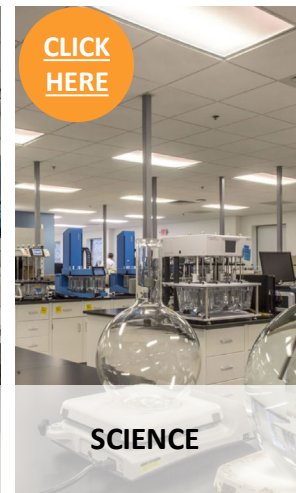
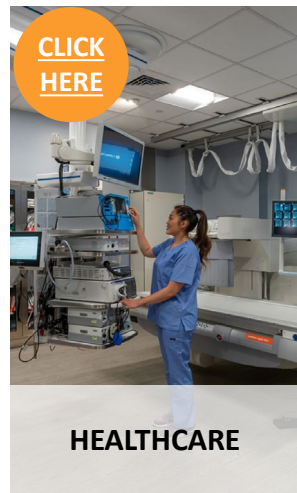


Janet Morra, AIA, LEED AP
Principal | Partner
jmorra@mparchitectsboston.com



Jenna Meyers, IIDA, NCIDQ, LEED AP
Senior Interior Designer | Associate
jmeyers@mparchitectsboston.com

Industries Served



Previous Reports



marguliesperruzzi

Design for the way YOU work.



www.mparchitectsboston.com

308 Congress Street, Boston, MA 02210