charity: water's open office, co-designed by Pilot Projects

THE**SANDBOX**BLOG

Open office plans: Boon or bane?

April Greene — January 21, 2015

If you're interested in design, work in an office, or frequent the Internet, you may have seen this *Washington Post* article a few weeks ago slamming the open space office model popularized by companies like Google.

In response, *Work Design Magazine* published a piece contending that open offices aren't bad any more than they're good:

"The right environment depends on the type of work a company does, its demographic, and the company's culture," author Kay Sargent wrote. "The right solution will vary from company to company, and sometimes even amongst departments within the same organization."

Pilot Projects founder and director Scott Francisco has decades of experience in workspace design—including consulting for Google—and brings an unusual thesis to the conversation: Real estate expenditures are generally a comparatively small portion of a business's total operating costs, so using partcipatory design principles to make workspaces that increase employee productivity and enrich organizational culture delivers most companies tremendous ROI bang for their buck.

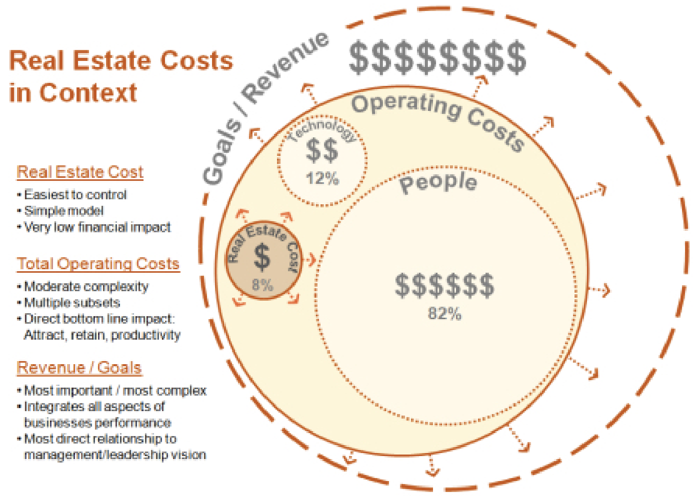
More from Scott:

"The simple but unfortunate fact is that most open office design is driven by real estate cost savings, not a desire for better organizational culture or even worker productivity. This is of course ridiculous when the numbers are added up: Even in New York City real estate costs hover around 8% of total operating costs, compared to 82% for human capital (salaries and benefits).

This means that a tiny loss in productivity (say -3%) would easily trump a massive savings in real estate (say a +30% increase in efficiency).

Discussions with hundreds of corporate leaders on this topic have revealed the fundamental problem. Real estate decisions are typically not made by CEOs or other high-level business visionaries. Real estate is typically seen as a cost center that must be "managed." So it falls to the CFO and Facilities Management. Only the most enlightened (and very rare) Facilities Managers see real estate as a core service to growing the business and look for ways to ensure that the investment in real estate has a real and growing ROI.

Three views of the Fellowship for Performing Arts offices, which Pilot Projects co-designed in 2014.



Facilities / RE costs in most organizations are proportionally minimal at >8%, but have high leverage.

Read much more about the importance and viability of investing in the physical workplace in Scott's talk, "A Tale of Two Hammers"

Interestingly, Google is one of the few of hundreds of companies I have consulted for over the years that indeed does have this enlightened view. They pour intensive resources, money, strategy, new ideas and, dare I say, love into their workplace. For this reason Google spends more on their workplace than almost any company I know. And the "open" part of it is a small piece of a much bigger picture. With dozens of space options to choose from, the Google workplace is not much like the degrading "benching" solution that Lindsey Kaufman describes. Googlers enjoy quiet huddle rooms, conference rooms, shared enclosed offices, multiple cafes, great food, game rooms, libraries, and a host of other amenities as part of their basic work environment. Most importantly they have access to a dedicated service team who do nothing but go around and ensure that your workplace is working for you! (Can you imagine?!)

The problem in today's "workplace strategy" discussion is that everyone wants the golden eggs without taking care of the goose. They want the space efficiency of open workplace layouts, without investing in the things that actually make them work (which tend to eat up the real estate savings). Bottom line: There are no free lunches when it comes to workplace expenditure!

Open offices are great for some organizations and disastrous for others. The most important question for us in workplace design, and our criteria for selecting clients, is: Do you see the workplace as an investment from which you expect a return? If the answer is "yes," then we have a place to start. This client will be happy to spend what is necessary to maximize the return on their investment.

The only way to achieve this return on workplace investment is to create supportive and stimulating work environments that ensure workers can concentrate, collaborate, find each other, host each other and visitors, and share the resources needed to do their jobs well and express the brand well. The only way to do all this is for designers to work closely with a cross-section of staff and leaders to truly understand how they work, their culture, and their vision for improvement (not some recycled office design fad). When this kind of collaboration happens, we get surprising workplace magic. Sometimes it may even look like Google."

Read Scott's comment in Work Design *here*.

How do you feel about open office spaces? Tell us in the comments.

Tags: nyc, charity: water, workspace design

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