

OPTIMIZING THE FACILITIES PORTFOLIO

The *2013-19 Six-Year Facilities Plan* projects the state will reduce 771,000 square feet, or six percent, of office, laboratory, and support space by 2019. This reduction represents efforts by state agencies to eliminate excess space and improve space efficiency during office relocations. The Plan supports the state's goals of leasing and owning facilities that:

- Support the business needs of state agencies and the state using facilities in suitable condition.
- Use the state's facilities efficiently.
- Use all of the state's fund sources efficiently.

However, the state can do more to achieve these goals.

WORK IS CHANGING: HOW IT'S DONE, WHERE IT'S DONE, AND WHO DOES IT

Advances in technology, changes in demographics, social media, new ways of working, and the economy are just a few of the factors that impact workplace needs. Leaders across sectors continue to change organizational culture and set expectations. The office is a place to collaborate. Standardized workplaces filled with cubicles are giving way to innovative solutions for work.

Real estate costs continue to rise. Constrained resources and continued demand for services will challenge the state to do more with the budget across state government. The combination of these two issues offers an opportunity to innovate how the state uses space. Shrinking individual workspaces is not enough; the state has to think strategically about the workplace and how it is used.

Washington continues to operate without an overarching statewide strategy for its facilities portfolio. The lack of an enterprise perspective on real estate results in lost opportunities to consolidate and generate savings. Recent downsizing has focused within individual state agencies and were a reaction to the economy and the related fiscal crisis. Few state agencies employ alternative workplace solutions. By modeling trends in the public and private sectors, the state can:

- Manage the facilities portfolio using an enterprise approach.
- Emphasize data driven decision making based on performance metrics.
- Identify and support workplace solutions that are mobile, collaborative, flexible, functional, and increase productivity.
- Apply Lean principles to the use of state facilities.
- Promote workplace innovation by providing training, education, and outreach.
- Provide financial support for solutions that improve operational efficiencies.

WASHINGTON NEEDS A WORKPLACE STRATEGY

“Workplace strategy is the dynamic alignment of an organization's work patterns with the work environment to enable peak performance and reduce costs”¹. Washington is a national leader in strategic facilities planning, however, the state cannot wait for an emergency to discover whether it can provide business continuity and innovative solutions to work. As a blueprint for the workplace of the future, The Washington Workplace strategy needs to address the following factors.

1 Savage A E (2005) [Workplace strategy: What it is and why you should care](#). Journal of Corporate Real Estate, 7(3)

THE EVOLVING WORKFORCE

The average age of a Washington state employee is 47, with 28% of the workforce under the age of 40. According to Office of the State Human Resources Director's 2011 workforce data report, "the state's workforce is older than Washington's civilian workforce, with 61 percent of state workers in the 45 and over age group, compared to 43 percent for the civilian workforce."² As workforce demographics shift with upcoming retirements, a strategy that reflects the changing nature of work will make the state more competitive in attracting and retaining talent.

"Over the past two decades, digital technology and the internet have radically changed communication processes and the nature of work itself."³ In state government, the Office of the Chief Information Officer recently issued a "Bring Your Own Device" policy that recognizes mobile technology as a tool to aid the enterprise in conducting its business effectively. With this initiative, the state demonstrates its ability to address security and standardization to support a mobile workforce.

THE NEED TO REDUCE SPACE AND COSTS

Rather than shrink the size of cubicles, a comprehensive strategy will identify space solutions that improve the workplace and increase productivity. By reducing the state's space use from roughly 290 square feet per FTE to the current state space standard of 215 square feet per FTE, the state could reduce roughly three million square feet and save \$120 million per biennium in real estate costs. Savings would be incremental as workplace solutions are implemented.

THE RESPONSIBILITY OF THE STATE TO ADDRESS CLIMATE CHANGE

RCW 70.235 requires state agencies to meet reporting and reduction standards to address climate change. RCW 70.94.531 introduces to state agencies a diversity of tools to aid in the reduction of commute trips, including alternative workplace solutions. By reducing commute trips and emphasizing space reduction that achieves energy efficiency, a workplace strategy can move the state further into alignment with these statutes.

IMPLEMENTING A WORKPLACE STRATEGY

Implementing a workplace strategy relies on collaboration among program management and development, facilities management, human resources, information technology, policy development, and financial management professionals. In order to implement a workplace strategy, Washington needs to:

- Continue to improve the completeness and accuracy of facilities data to support data-driven decision making.
- Establish a Workplace Alliance of state agencies, led by the Office of Financial Management, to provide leadership on this issue.
- Develop a Washington Workplace Strategy that refines facilities goals, establishes principles, and defines an action plan to move the state forward.
- Provide education and training for Washington state government on innovative implementation strategies.
- Begin experimenting with space, furniture, and work styles in a low-risk, open-plan rehearsal space.
- Establish key policies in support of the established Workplace Strategy.
- Apply the Washington Workplace Strategy to the development of the *2015-21 Six-Year Facilities Plan*.

² [2011 State Workforce Data Highlights](#) – Research – Office of the State Human Resource Director. (n.d.).

³ [Coworking, Swarming, and the Agile Workplace](#) – Research – Herman Miller. (n.d.).