Everything You Need to Know About Activity-Based Work

(and how to get started)



















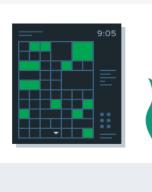




















What's inside

Introduction	3
Back-to-Basics: The Activity-Based Work Environment	4
Quick Glossary	5
What is an activity-based work environment?	6
Three types of employees based on desk usage	8
Activity-Based Work in Action	10
Advantages of activity-based work to the business and the employee	11
Companies with promising activity-based work environments	14
Open office complaints to anticipate	17
What You Need to Know to Get Started	19
How to get started with activity-based work in your office	20
What to track to know if an activity-based work environment is working	22
Additional resources	24

Introduction

This resource is meant to cover the practice of activity-based work environment. We'll cover the advantages and drawbacks of activity-based work to the employee, IT, and facilities teams, as well as other practices commonly seen alongside the practice. We'll also cover anticipated open office complaints and strategies on how to successfully get an activity-based work strategy up and running in your own office, with examples from companies of all sizes.

NOTE: Activity-based work is also commonly referred to as agile work, agile seating, free address, flexible work, and hot desking. We'll refer to the practice as "activity-based work".









Back-to-Basics: Activity-Based Work



Quick Glossary

To get started, knowing the terms related to an activity-based work environment is crucial in understanding how it could work in your own office.

Activity-based work

The practice of providing employees with a choice of office settings for a variety of tasks and activities throughout the workday. Activity-based work recognizes that certain activities require specific settings and presents employees with the freedom to choose where, when, and how they work. ABW refers to the entire philosophy of creating a flexible environment for employees, with specific practices like agile working meant to support it.

Agile working (agile office)

The practice of creating a flexible and productive environment by providing employees with a variety of settings that they can move through quickly and easily in order to support an activity-based environment.

Flex space (aka alternative spaces)

Multi-purpose spaces throughout an office (e.g. spaces for meetings, brainstorming sessions, individual work, one-on-ones)

Hot desking (aka unassigned seating)

Same day desk booking; desk on-demand. Hot desking is often used to refer to the entire philosophy of the shared desk and activity-based work environment.

Free address

Another word for hot desking; workspaces without assigned seating; same-day desk reservations that require employees to keep the space clean for the next employee to reserve it.

Desk hoteling

People can book desks ahead of time and for longer period, whereas hot desking reservations reset daily.

Reverse desk hoteling

A desk auto-unbooks if no one shows. For example, if an employee is out on vacation, their desks becomes reservable.



What is an activity-based work environment?

In a modern workforce where between 25 and 50 percent of office workstations go

unoccupied on any given day, according to a 2017 Senion survey, companies need to restructure their space in order to get the most out of their real estate.

That's why agility is one of the highest priorities for workplaces today. There's both a real estate and opportunity cost associated with having a host of unoccupied workstations.

Coworking, Agile Workplace ways such as a social spaces with couches or high top tables or quiet areas with private pods.

Atlantic have a social space of the most out of their real estate.

Coworking, Agile Workplace do it, schools

With this rise in remote work, an increasing number of companies around the world are taking advantage of a shared desk or hot desking environment, where employees no longer require a 1:1 employee to desk ratio. A shared desk environment requires an activity-based work strategy in order to be successful. Individuals and groups need a variety of spaces to choose from. And those spaces need to fit the needs of different types of activities. If an office has fewer desks than people, facilities needs to fill that gap with alternative spaces. Otherwise employees simply won't have enough places to get work done.

Coworking, Swarming, and the Agile Workplace. Birds do it, bees do it, schools of whale-avoiding Atlantic herring do it. So do hockey teams, emergency departments, and volunteer firefighters. In social groups like these, collaborative and collective decision-making happen "in the moment" and contribute significantly to survival and success.

- Herman Miller

Examples of alternative spaces are lounge seating with couches and coffee tables, stair seating, private or multi-person collaborative pods, long high-top tables, and kitchen space.

Coffee shops are an example of an activity-based work environment. They provide people with options: soft seating to relax with a book or colleague for a casual conversation, long tables for collaborative work, corner high tops for more heads-down, productive work. All while providing people with the perfect escape for a quick break, the experience of

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getting a drink from the barista. It's no wonder people tend to gravitate there to get work done when they're tired of the office.

Activity-based work in offices tend to mimic the coffee shop. With desk occupancy at an all time low, over 40% of office space goes unoccupied on an average day, it's critical that

companies take note of the coffee shop framework. With a mix of spaces equipped with reliable WiFi, digital collaboration tools, and universal equipment like power outlets and monitors, employees never feel as if a desk is the only place where work is performed.

Figuring out the number of desks to allocate to shared desking varies company to company. Consider these factors in your office:



- Total headcount
- Number of remote employees and how often they visit the office
- Average number of employees in the office on any given day
- Number of employees in roles that tend to have a variety of activities throughout the day (number of people who spend no more than 60% of their day at a desk)
- Variety of flex spaces around the office where people can get work done

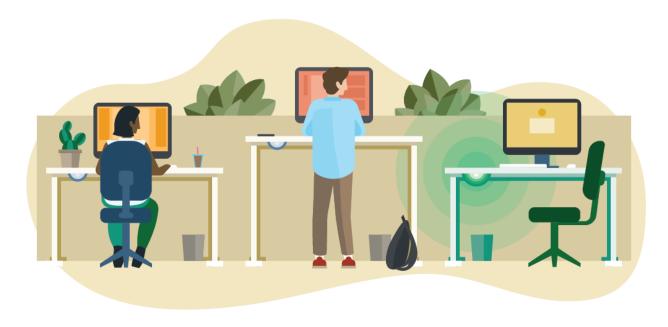


Three types of employees based on desk usage

To understand how many people in your company should share desks vs. have a permanent one, you'll want to categorize your colleagues by desk usage. We've divided office workers into three types.

- **1. 60%+ at a desk:** The first type of employee is someone who spends 60 percent or more time at their desk, therefore requiring an assigned desk. In a typical 8-hour workday, that means at least 5 hours is spent at a desk. Herman Miller calls these types of employees as **residents**.
- **2. 20%-60% at a desk:** The second type of employee is someone who spends anywhere from 20-60 percent of time at an assigned desk. That could mean anywhere from 1.5 to 5 hours at a desk each day.

These employees are on the rise, especially with 80-90% of employees wanting the option to work remotely at least some of the time. These people are referred to as **flex employees.**





The roles often associated with flex are sales, who have a variety of activities throughout the day ranging from travel to meetings to focused time. Marketing, events, contractors, and management roles also lend themselves to a flex work style.

3. <20% at a desk: Finally, the third group of employees are those who tend to spend less than 20 percent of time at a desk, making them the top candidates for unassigned seating arrangements. That's less than 1.5 hours at a desk each day. Herman Miller refers to these types of workers as mobile employees.

Similar to flex, mobile employees are growing in number. In fact, 43 percent of Americans spent at least some time working remotely in 2017, compared to 39% in 2012, <u>according to Gallup</u>.

Remote and contract employees fit the role of the mobile employee since they work out of the office more often than not. When they are on-site, a shared desking arrangement is a simple way to get them quickly set up and comfortable. Sales and consultants also often fit the mobile role, with a range of activities throughout the day that don't require a desk at all like meetings, calls and demos, and client visits.

When you envision activity-based work in your own office, consider how many of your employees fall into each type and use that as a guide as you calculate desk count and build out alternative spaces.

Activity-Based Work in Action

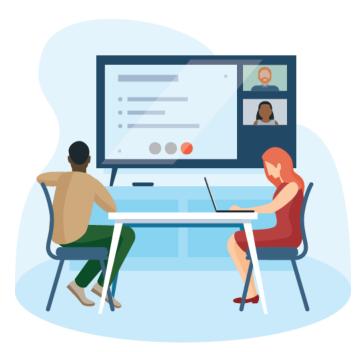
Advantages Activity-Based Work Pros Considerations

Advantages of the activity-based work environment to the business and the employee

Real estate consolidation and cost reduction

Companies are under pressure to get maximum use out of every space in order to achieve the highest ROI. Whether it's a large company occupying multiple floors or a smaller organization pressured to design the ideal space, an activity-based work environment provides both with an avenue for cost reduction, especially as headcount increases.

Starting in 2019 for public companies (2020 for private), accounting standards will require companies to list office and furniture leases as assets and liabilities on their financial



statements. This will essentially make leases appear as a larger financial burden to companies in terms of their overall performance, making office space optimization an even bigger priority for facilities and real estate teams.

Why? In the past, companies were able to choose whether they listed leases there or as an "off balance sheet" operating expense in the footnotes. Thanks to accounting scandals like Enron and Worldcom in the early 2000s, the SEC and international equivalents realized this gray

area wasn't providing investors with an accurate picture. Luckily with an activity-based work and shared desk strategy, offices can make the most of their space by having employees share desks and the alternative spaces amongst them.



This also follows the natural trend of less space per employee. Eliminating untouched desks means companies can cut costs on wasted space and replace it with amenities or flex spaces that employees can actually benefit from, like couches and lounge chairs for reading.

Another real estate trend to consider is the the trend to shift to urban areas for recruiting purposes, but with that comes added costs. One way to reduce these costs is to create an in-office rotation system that reduces the amount of space the company needs to lease.

Better employee performance

Employees with greater flexibility are generally more productive as a result of being happier with their jobs, according to <u>Harvard Business Review</u>. Collaboration tends to increase in an activity-based work environment, as well, with the fluid nature of shared seating and unassigned desks. Employees in different departments become exposed to one another more often, thereby surfacing opportunities for knowledge sharing that wouldn't surface in a fixed setting.

For remote employees, shared desking is especially important so those people have options on who they sit near. If someone's in town working on a specific project, they'll want to reserve a desk by the employees they'll be meeting with most during their stay. For non-remote employees, shared desking allows for greater access to the people they don't normally interact with. With desk reservation software, anyone can go into a floor plan and quickly see where Jim from Colorado is sitting for the week.

As the desire for flexible work options spreads, companies can spend less time worrying about employees slacking off while they're away from an assigned desk, thanks to collaborative technology like Slack and Google Drive, for example. In fact, three out of five workers say they don't need to be in the office in order to be productive.



Recruitment and retention

If you're looking to attract talent, millennials (more than half the workforce), favor flexible work when considering new jobs, according to a <u>Bentley University study</u>. Research by Deloitte suggests that flexible working can improve retention rates by as much as 100%, as well as employee engagement.

With an activity-based work environment, employees have access to more spaces, tools, and people. The physical setup creates a more lively, collaborative environment with a sense of equality across roles.





Companies with promising activity-based work environments

While activity-based work and shared desking is still in its infancy in many places, plenty of companies have led the charge on creating a positive activity-based work environment for their employees.

Deloitte

When Deloitte's futuristic and green Amsterdam building, "The Edge", came to life in 2015, the consulting company added unassigned seating with 1,000 desks for about 2,500 workers. Instead of private offices and assigned seats, they decided to implement workspaces based on schedules, with alternative spaces aplenty to support an activity-based work environment.

Organized in "neighborhoods," the company relied on hot desking and hoteling to use less space. Employees with similar tasks tend to gravitate toward the neighborhoods that fit their task at hand. Because of this, everyday looks different for an average employee, including the people they come in contact with, encouraging unplanned collaboration across departments.

"A quarter of this building is not allocated desk space, it's a place to meet. We're starting to notice that office space is not so much about the workspace itself; it's really about making a working community, and for people to have a place that they want to come to, where ideas are nurtured and the future is determined."

- Ron Bakker, Partner of PLP Architecture

The reason for the change? Management wanted to inspire the *het nieuwe werken* philosophy, a new way of working that breaks people away from their fixed locations and rigid ways of thinking.

Employees have flexibility on where to get work done in "The Edge" including small rooms with lounge chairs and lamps for private phone calls, game rooms and coffee bars for social interaction, long tables for collaboration, and more. And with screens around every corner, employees can easily sync their laptops and phones from anywhere.



Klaviyo

Before IT Manager Jordan Trundy started a year and a half ago, flexible work was already ingrained in Klaviyo's culture.

"It's definitely about the flexibility. The company started shared desking in different locations and people would just find space wherever they could find one. It was sort of this unspoken rule. That culture still exists at Klaviyo."

- Jordan Trundy, IT Manager of Klaviyo

The company, whose data science platform helps ecommerce brands grow faster, strives to inspire creativity throughout their workplace, especially in their Boston office where shared desks and alternative spaces are aplenty.

These spaces include a fireplace with soft seating, kitchen space for socializing, and what they call 'buzzy booths' for private, heads-down work.

With a mix of assigned and shared desking employees making up their Boston headcount of 145, 25 desks are dedicated for hot desking and desk hoteling. Leadership tends to lead the charge, including their CEO Andrew Bialecki, sitting in different areas throughout the week.



Gensler

With a growing team, Gensler, the architecture and design firm, was outgrowing their old space and decided it was time to move offices. Management didn't have to go far to figure out what design would work best. Instead they designed their Gensler La Crosse office based on the company's 2016 Workplace Survey and Observe Activity Analysis.

They found that a ratio of collaboration spaces to headsdown workstations, along with natural light and a centrally-located cafe was best to keep teams moving throughout the day.

As a result, the firm redesigned their space to support an activity-based workplace and shared desk environment. And Managing Director Joan Meyers believes activity-based work is the future.

Dedicated seating was replaced with agile spaces and employees were given 12-by-24 inch totes to store their belongings.

In free-address, integration of the workforce is seamless. You and your colleagues share, coauthor, mentor, learn, socialize, focus, collaborate and even have those private one-on-one conversations. That's because everyone is visibly active, moving from place to place throughout the day.

- Cindy Coleman, Strategist and Senior Associate, Gensler

Jane Stull, a Marketing and Communications Specialist at Gensler, outlined her experience noting that her favorite aspects of the new strategy include how every day is a new start, she's more productive as a result of the flexibility to choose where to work at any given moment, and relationships with coworkers have improved.



Where did open offices go wrong

(and the complaints your company should anticipate)

If you've read Google's top search results for open offices, you're probably familiar with the idea that open offices are the bane of the employee existence. It's not entirely. An underdeveloped setup, strategy, and design can do more harm than good. In fact, an inefficient workplace can cost companies up to 30% of their revenue each year, according to Herman Miller.

But despite the angry headlines and common complaints, two-thirds of companies plan to have an activity-based and shared desk workplace strategy by 2020, according to a CBRE survey. There are ways to empower employees and make the layout work for your company, it's just a matter of Facilities and IT working together to prevent potential road bumps.



Inadequate technology

If your office isn't set up with technology that allows people to work flexibly, your open office plan is bound to fail. Employees will ignore the spaces that lack tech and your company loses out on real estate that should've supported flexible work.

Lack of storage space

If facilities and IT move toward an open floor plan with unassigned seating but provide no storage space for people to store their things, employees will grunt and groan while your office transforms from an office into a zoo.



Insufficient desk booking software

If you plan to add shared desking, your employees need a simple way to reserve desks. Without software that makes coming into the office and finding a workstation simple, employees will grow to resent the open office.

Especially for remote employees who may not be as comfortable with the office floor plan, the last thing you want to do is make employee processes more confusing than before.

Shortage of flex options

An open office supports employee flexibility and collaboration, with the right setup and design of course.

If employees have nowhere to go to support their varied tasks throughout the day, odds are they'll prefer working anywhere but the office.

Lack of private or quiet spaces

Constant distraction and noise is a common open office complaint, due to the very nature of the plan's layout. Providing quiet heads-down spaces like pods or huddle rooms, for instance, are a must for employees who need to focus on work with limited distractions.



What You Need to Know to Get Started



How to get started with activity-based work in your office

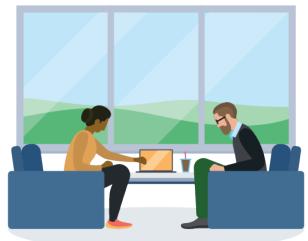
The first step to incorporating activity-based work in your company's day-to-day schedule is to identify if your physical office can support the practice in the first place. It's one thing to throw some alternative spaces and desks throughout the office, but that doesn't ensure the space will be used productively.

To tell if your office is right for activity-based work, ask yourself these questions:

1. Does your office have a variety of space types in different areas of the office?

If you take away 30% of the desks in your office, you need to replace them with other types of workspaces.

Pods for quiet heads-down work, open kitchen space for collaborative or casual conversation with colleagues, and a mix of meeting room types for specific tasks are examples.



2. Does your office have at least 25% flex or mobile employees?

Identify the people who would be candidates for shared desking based on their schedules. Most likely, not every employee will fit the unassigned seating criteria. Engineers, for example, spend most of their day working at a desk. Sales, on the other hand, might be in and out of the office for client visits and wouldn't require a permanent seat. If your company has remote employees, they'll need a workstation to reserve in advance every time they visit the office.

You'll want to make sure a large enough portion of your colleagues would have enough time away from their desk to qualify for giving up a permanent seat.



3. Is your office equipped with the technology needed to make moving from space to space quick and convenient?

In order to work successfully, employees shouldn't have to lug equipment around every time they switch from a flex space to a reservable desk and vice versa. Make sure employee laptops are somewhat consistent and each desk and alternative space has a universal set of hardware so that employees, remote workers, contractors, and visitors alike all know how to set up their workspace immediately.

Ideas to get started are setting up every reservable desk with a monitor, mouse, docking station, power outlet, dongles, and sanitary wipes.



4. Can you pull together a group of company advocates who can lead the charge in change management?

People tend to fear change. And in an office, changing where and how employees will work can affect morale. Keep morale high by

getting buy-in from an advocacy group of employees and leaders. That plus a well-thought out rollout plan will be really important to get people excited for the change.

5. Does your office have a desk booking software that's reliable and easy to access?

With the right desk booking software, employees should be able to find a reservable desk within seconds of searching. Paired with insights on how the spaces in your office are being used, facilities can continually modify and adapt to employee work styles, making sure that every square foot is designed with a purpose in mind.



Desk management software also makes employee onboarding easier by sending new hires seat assignments and floor plans automatically.

What to track to understand if an activity-based work environment is working in your office

Come up with a policy outlining what an activity-based work environment should look like in your office before rolling it out to your company. Employees can use it as a guideline, and facilities and IT can reference it as the company grows. The policy should include details on a shared desking strategy including who is eligible to reserve desks, what types of reservations are available (i.e. assigned, hot, hotel), and how to use any software you decide to purchase.

Identify how the company will support an activity-based work environment (like using universal hardware, responding to issues quickly, and regular desk checks) and what's needed from the employee (like cleaning workspaces when they're done, providing feedback, and using the software for desk reservations).

With desk reservation software, like Robin, you also can access analytics on how the spaces in your office are used. You'll be able to monitor desk and room occupancy over time, peak times of day for usage, and which spaces are booked most often and which are never touched. This helps as you continue to build out your office and adapt to employee behavior and needs, as well as update workspaces and stations that aren't used much.



Finally, never underestimate the power of the end user. Go straight to the source, the employee, with surveys to collect feedback on how well the activity-based work environment is working and what needs extra attention. Ask questions around whether or

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not employees have enough alternative spaces to work from, how easy or difficult it is to find and book a desk, and what improvements they'd like to see. With a simple Google Form, your company can keep track of employee happiness and improve change management strategies throughout the transition.



For more info on an activity-based work environment, check out these resources:

Herman Miller: Coworking, Swarming, and the Agile Workplace.

Herman Miller: All Together Now. The Importance of Helping People and Place Align

JLL Occupancy Benchmarking Report

Get started with activity-based work in your office.

Click here for a personal demo.