

NICE WORK

BY KELLY YANG & AMELIA HENG

Designing and creating a suitable and comfortable workplace to complement the company's culture and staff generation ratios is one way for SMEs to attract and retain talent

TWO of the largest fixed costs for companies are employees and office space. Today, the workplace environment is increasingly diverse and employees have different backgrounds. Being attentive in designing and creating a suitable and comfortable workplace to complement the company's culture and staff generation ratios is one way that enables small and medium-sized enterprises (SMEs) to attract and retain talent.

With Singapore's Budget 2015 announcement on higher tax allowances for mergers and acquisitions, the trend for SME merger activities is expected to continue to increase. The consolidation of company entities provides businesses with an opportunity to leverage the economies of scale in real estate occupancy, while upgrading the new shared space.

While there are upfront costs required for relocation or refurbishment, companies will enjoy long-term benefits of significant rental savings and various intangible advantages, such as increased staff retention and productivity – resulting from an effective utilisation of the work space.

The two areas that SMEs should consider when working on their workplace setup include workplace environment design and the delivery methods.

WORKPLACE ENVIRONMENT DESIGN

Nowadays, the general workplace design trend is shifting towards a simplified and reduced space standard for individual staff. Office rooms have become a luxury. They are either downsized or eliminated to increase the general workspace to facilitate more collaboration and open communication. The traditional L-shaped workstations have been compressed into tighter workbench-style workstations – effectively reducing the average occupancy space ratio from 120-150 sq ft to 75-110 sq ft per person. This works out to a corresponding fit-out cost in an average range of S\$70-130 per sq ft, subject to respective project scale and requirements.

The industry is seeing a shift in office layout

office rooms and meeting rooms located along where the windows are, to arranging these rooms around the core wall areas. Consequently, a bright and spacious open office is created, and the majority of staff who are working in the main workstation area can now enjoy window views.

Another popular office concept today that improves space flexibility is the activity-based working (ABW) design. Depending on individual company's business needs, there are various approaches to ABW; some of which include having non-delegated seats that are assigned on a department level and not to individuals, and implementing "hot-desking" where multiple workers utilise a single workstation during different times of the day on a first-come-first-served basis.

To ensure that staff can still perform their work operations smoothly, the ABW concept has to be complemented with well-arranged storage and filing space at the individual and group level, as well as adopting a clean desk policy for daily operations. Although individual space under the ABW concept is compromised, the compensation comes in the form of improved common facilities with better design and functionality, as well as larger open meeting spaces and breakout areas – all of which promote dynamic interaction and collaboration that are highly valued by staff these days. To address privacy needs for meetings and phone calls, focus rooms and phone booths can be created.

PROJECT DELIVERY PROCESS

Following the selection of the workplace environment design, companies will then have to decide which project delivery method for their new workplace setup best meet their requirements. Some fundamental factors that will determine the delivery process include budget, schedule, complexity of design requirements, resource availability and risk allocation, among others.

In Singapore, the two basic project delivery methods are Design-Bid-Build and Design-and-Build. As each project is unique, there will be advantages

and disadvantages with either method employed. It is highly recommended that companies seek professional advice from specialised consultants and project managers on the most suitable method to manage the entire design and construction process. Design-Bid-Build is the traditional project delivery method, which involves separate bidding and procurement for the design consultant and contractor. The direct contractual relationship between the company-designer and company-contractor allows for clear definition of roles and suits most procurement policies. However, the process may require a longer duration due to the separate procurement and the design work that must be completed prior to the solicitation of contractor bids.

The other project delivery method, Design-and-Build, has been gaining popularity in the last 10 years, especially for project scales of up to 50,000 sq ft. Design-and-Build is an integrated process, of which the design and construction responsibilities fall under a single entity. There is potential for better coordination between the designer and contractor, with both parties contributing their construction perspectives during the design development; hence, saving time. Furthermore, firms that adopt the Design-and-Build method may offer reduced upfront design fees and SMEs can benefit from the cost efficiency.

However, on the other hand, there is lower cost transparency and quality control. Hence, companies adopting the Design-and-Build model generally engage an independent project manager who has no conflict of interest to fully represent them to manage the cost, quality and process.

To determine which design or delivery method is most suitable, companies need to assess their current and future requirements, balance their short and long-term goals, as well as manage the budget and risks. Whether it is a new fit-out or existing space refurbishment, workplace setup is both an art and a science. SMEs can leverage this platform to maximise the potential of the available space, realise real estate cost savings and even become a favoured employer.

The office is also the face of the business. An outdated workspace design will have a certain impact on the company's image, while an updated and modernised office with a thoughtful design will reflect well on the company's brand, and accommodate current to evolving needs. ■

Kelly Yang is executive director and Amelia Heng is assistant manager of project management at Colliers International