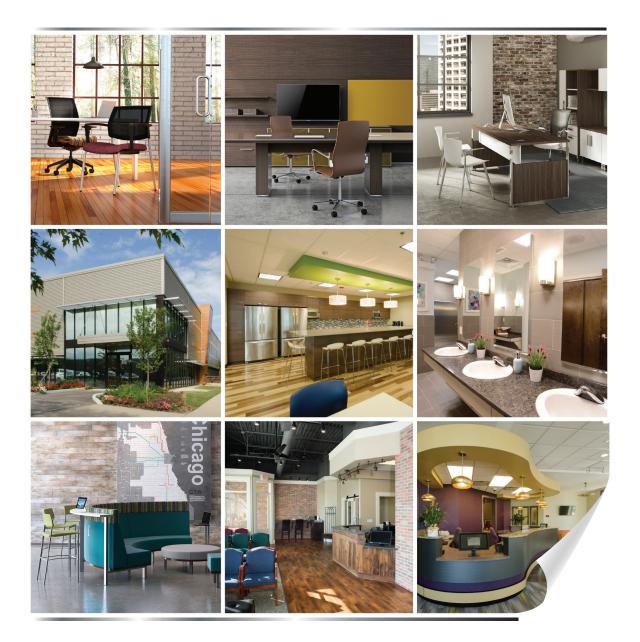
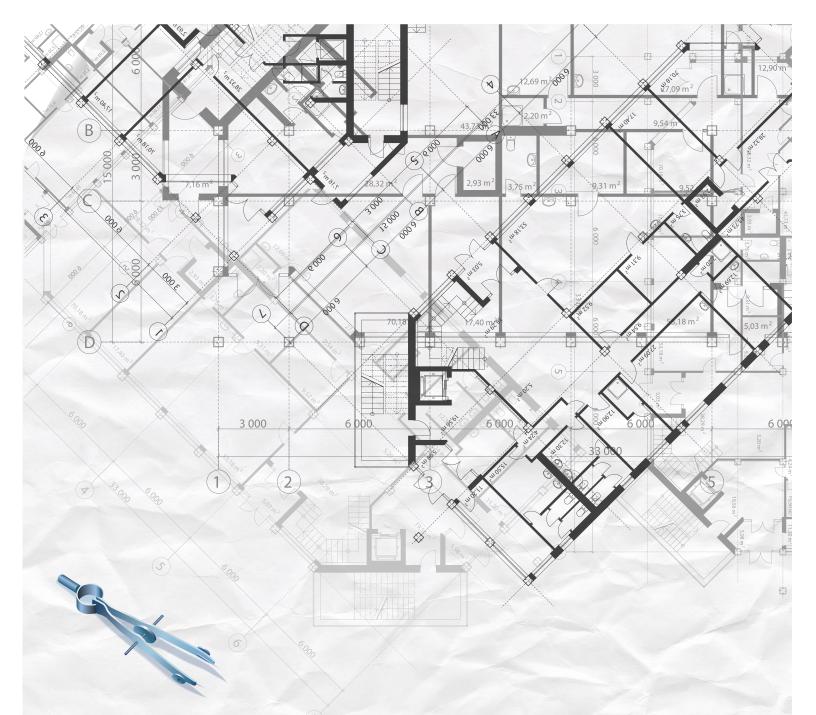


INTERACTIVE WORKPLACE SOLUTIONS

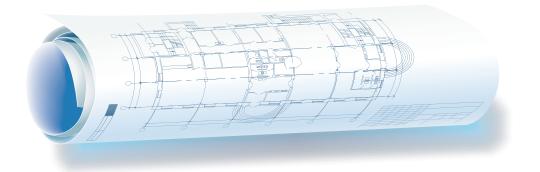


# 3 Signs Your Office Needs a Renovation **NOW** - Not Later

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As you know, your office is far more than a building or an address. It's the expression of your corporate identity. It's also the place where your employees spend an enormous amount of time. Indeed, a Towers Watson study found that over the last few years, 66 percent of employees worked more hours than initially expected and the trend is expected to continue into the future. And according to a Gallup Poll, the average full-time employee spends 47 hours at work per week but for some employees, the amount is far higher, exceeding 50 and even 60 hours.



#### Office Renovation and the Bottom-Line

Yet perhaps most importantly – at least where the bottom-line is concerned – your office, and specifically the design, contributes to productivity and profitability. Or to put this somewhat more frankly: poor office design can, impede business growth and success. That's the bad news.

The good news, however, is that unlike other threats that are external to your business – such as interest rates and even the weather – renovating your office is completely within your control, and something you start immediately.

What's more, even a profound re-invention of your space is simpler, and more cost-effective than you likely imagine. Forget what you've heard or experienced about "nightmare" home renovations that take on a life of their own. When led by experienced and proven interior design specialists, an office renovation is not a risky expense. Rather, it's a sound investment that pays for itself within a matter of years – regardless of whether you decide to put down roots, or sell and move on.

#### "It's important, but we'll get to it later..."

Surely, an office renovation is something you've been mulling over for several months or even years; especially when you visit other offices and are wow'd by what you see – and wish that your space had the same positive impact and effect! However, your office renovation plans may be stuck on your "it's important, but we'll get to it later" list.

Office renovation can fall off the radar screen. However, it's clearly in your best interest to make it a top organizational priority – because every day that goes by, your current design is taking an increasing toll on productivity, performance and profitability.

To help you see the connection between poor office design and the bottom-line, below we highlight 3 signs that your office needs a renovation NOW – not later:



### You're Not Using Space Efficiently & Effectively

As noted in the Journal of Building Appraisal: "the primary purpose of an office is to facilitate the provision of a workplace and working environment for information and knowledge processing activities such as filing, planning, designing, supervising, analyzing, deciding and communicating".

However, if your office design isn't supporting your employees and driving organizational success and growth, then it's not achieving its "primary purpose". While there are many ways that inefficient office space can turn into a major business problem, below are some of the most common and costly:

#### • Too many employees and not enough workstations

When the number of employees exceeds the amount of available workstations, then the inevitable result is that employees get "crammed" together; which is not just uncomfortable and stifling, but diminishes productivity and efficiency.

Furthermore, this problematic scenario can also lead to an epidemic of lost items – everything from customer files to smartphones – and create security problems, as confidential data may not be managed and governed per best practices or prevailing regulations.

#### • Lack of functional space

Without ready access to functional spaces such as meeting rooms, customer/visitor waiting areas, presentation spaces, training spaces and so on, employees are forced to re-purpose non-traditional areas in order to carry out their day-to-day tasks and objectives.

For example, small groups may be obliged to hold meetings in the lunch room, or even head off to a nearby coffee shop, etc. Or sales professionals may be unable to deliver presentations in the office because at any moment they may be interrupted. These workarounds aren't solutions, and they aren't sustainable. They're temporary fixes at best.



#### Over-utilized and under-utilized rooms and spaces

The layout, lighting, and HVAC system in meeting rooms may be so dreaded by employees, that they go to extreme lengths to avoid using such spaces – and instead hold meetings in high traffic areas that were designed for other purposes, such as the lunch room.

Indeed, it's common to walk into offices that haven't been renovated for years and discover that there are major sections and rooms that have been all but abandoned – and it's all because of inefficient space planning.

#### Obsolete and oversized workstations

A number of businesses – and yours may be among them – have implemented systems, workflows and processes to improve efficiency. Obviously, this is a move in the right direction, since in today's competitive landscape efficiency isn't optional: it's mandatory.

However, an unexpected consequence of this shift towards more efficient operations, is that many of these same businesses are stuck with large, bulky workstations that provide far more storage than is required. These older workstations often have large drawers and cabinets that were designed to hold hundreds of files, and multiple binders - most of which are now digital.

As a result, these workstations are clogging up thousands of square feet of prime space that could be better utilized or even given up altogether. And to make matters worse, your business has to pay the heating and cooling bills for these blocked-off spaces. Plus you may have to pay security and property tax bills that are based on square footage – regardless of whether the space is being used effectively.



## Your Employees are Unhappy & Unproductive

Current workplace jargon refers to what is informally (and not affectionately) known as "cubicle farms", i.e. rows and rows of cubicles that have been installed with no reference or consideration to workflow or space optimization needs.

However, while cubicle farms may be great news to office furniture manufacturers, they aren't beloved by employees in workplaces across the world! In fact research has revealed that of all employees, those confined to cubicles were by far the unhappiest.

What's more, unhappy and unproductive employees are not exclusively associated with cubicle farms. Any and every office layout that doesn't fundamentally support employee performance is working against that key objective.

For example, layouts that have an excess of private rooms prevent collaboration and teamwork, and trigger work chaos rather than efficient, functional workflows. The same goes for what could be called "sprawl spaces", which are work environments that keep adding more workstations, desks, computers, printers, and alas, dreaded cubicles as more employees are brought on board.

As with inefficient space planning, unhappy and unproductive employees are a direct threat to organizational growth and

success; and in the long run, its very survival. Below are some of the most costly implications of this common problem:

#### Lack of collaboration and teamwork

The importance of collaboration and teamwork in today's business environment cannot be underestimated. In fact, Natalie Nixon, Director of the Strategic Design MBA at Philadelphia University has even referred to collaboration and teamwork as "essential" to success, innovation and growth.

However, as noted above, office design that fails to bring people together – such as cube farms sends individuals and small groups to their silos or "disconnected islands of activity", where they function as ad hoc semi-organizations, complete with their own systems, tools, technologies, and often even their own culture and language.

In other words: yes, people work in the same office. But no, they don't work as a team. There's a lack of synergy, and the sum is not greater than the parts. And make no mistake: this is not only a human resource issue. It's a core strategic problem, because as noted by Nixon, collaboration and teamwork aren't "nice to have" features that only some businesses need to claim. They're essential aspects in the new business economy.

Simply put: office design that drives employees apart, rather than encouraging them to connect, is arguably a bigger threat than even your most aggressive competitor.

#### Poor morale and employee engagement

The American Psychological Association has concluded what has long-since been known by executives, managers, supervisors and team leaders: happy, healthy and engaged workers are good for the bottom line. And separate but related research noted by the Silicon Valley Business Journal confirms the link between good workplace ergonomics and consistently high employee performance.

However, poor office design doesn't foster happy employees or boost morale. As noted above, it makes them miserable and can lead to alienation and isolation. The result is reduced productivity, higher rates of absenteeism, higher utilization of sick leave, and high costs of turnover. All of these consequences are the exact opposite of what a business aims to achieve.

Also keep in mind that many offices have a familiar and, frankly, drab color scheme that is dominated by grey and off-white shades. These colors were not chosen in light of chromatics, which is the scientific study of color. Rather, they were chosen because they're the most cost effective and easiest to sell. However, color does indeed make a huge difference on emotional health. Doing an office renovation is the ideal opportunity to make some profound aesthetic improvements that positively impact employee morale.



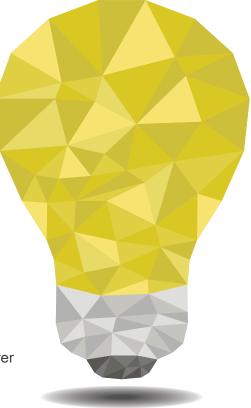
### You're Facing Excessive Costs & Risks

Seizing the opportunity to measurably improve productivity and performance are reasons enough to renovate your office. However, there's still more to the story – and unfortunately, it's not positive.

That's because, right now, your business is paying additional costs due to inefficient and poor office design. Below w highlight some of the most common costs that either show up explicitly on a balance sheet, or insidiously contribute behind the scenes:

#### • Excessive utility and energy bills

Utility and energy costs are rising nationwide; and there's no expectation that they'll come down anytime soon. It's really a matter of how fast and how high they'll climb.



These outdated offices with hundreds or even thousands of wasted extra square feet are being charged for rental fees and utility costs that aren't even needed.

Even more importantly, with the proliferation of electronic devices most older offices are woefully underserved with available electrical power. It's all too common to find a tangle of extension cords and plug strips with too many business machines plugged into them. Again, this is not efficient and can be downright dangerous.





#### Recruitment and retention challenges

According to the U.S. Bureau of Labor, Millennials represent more than 50 percent of the workforce, and within 15 years they'll comprise 75 percent. That means if you haven't already started recruiting them into your workforce, then it's only a matter of time before they arrive on the scene.

However, if your office layout is characteristically "old school", then all else being equal, you're going to have a tougher time than your competitors to bring Millennials on board – which means that you'll need to (if you're not doing this already) offer a higher salary or richer overall compensation package. This definitely cuts into your bottom-line and overall profitability.

At the same time, your recruiting cycles will take longer than they should, because your office layout is working against your recruiting efforts. And keep in mind that employers, just like brands, have reputations to protect. Websites like Glassdoor.com and Indeed.com are loaded with unvarnished reviews from current and ex-employees – and many of them aren't particularly flattering! If your business gets smacked with the "they're stuck in the 20th century" label, you may not even get a chance to offer top Millennial candidates more money to join your team – because they won't even apply in the first place.

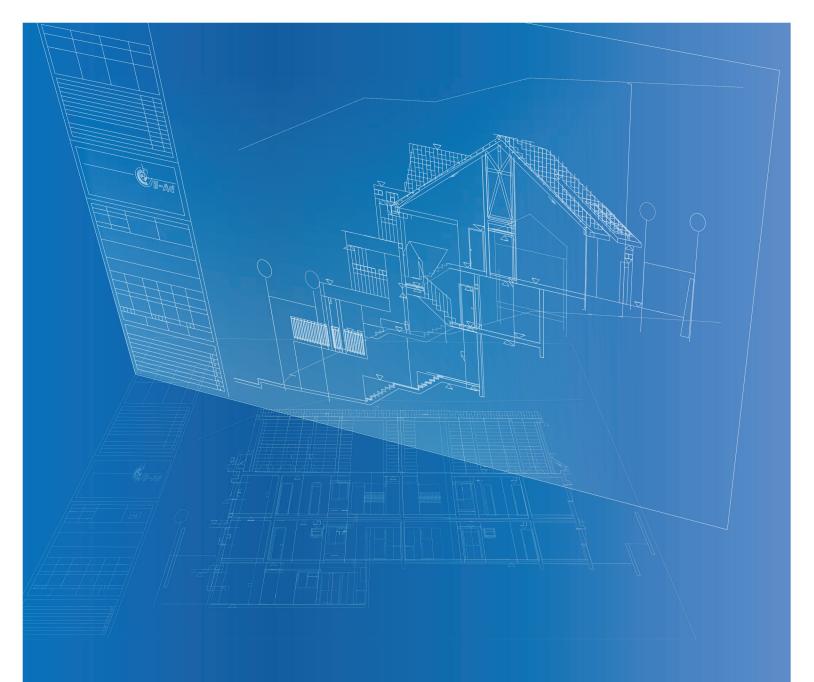


#### • Image and reputation damage

We just finished describing how poor office design can damage a business's reputation with respect to reaching new candidates; especially Millennials. However the implications of poor image and impression extend beyond the labor market, and negatively impact the most important stakeholder group: your customers!

For example, if your office is "showing its age" through outdated or worn-out equipment, furniture, walls, fixtures and other elements, then your customers are getting the message that your business's best days are behind it – not ahead.

And if your layout and decor is generic and bland, then you're missing out on an extremely valuable opportunity to impress your customers, and affirm for them that you're the right partner. Put it this way: do you remember the last generic and bland office that you visited? Well, neither do your customers.



### Adding It All Up

While you may have already sensed that an ineffective and inefficient office design was working against your business – rather than for it – the above discussion escalates this issue to a much higher, more serious level. It's not merely a problem or a challenge. It's a mission critical objective.

And so, given that it's time to shift your office renovation plans into high gear, the next big question is: where do you turn for the guidance, expertise, and insight you need to ensure that the process and results are rewarding – and not regrettable? The answer to that is clear: KEY INTERIORS.



#### Key Interiors: The Interior Solutions Specialists!

For more than 30 years, businesses like yours have turned to the interior solutions specialists at **KEY INTERIORS** to design, build and reap the rewards of a successful, cost-effective renovation.

As a total design-build-and furnish provider that manages ALL relationships with trades, specialists, consultants, city planners and all other stakeholders, we'll help you re-imagine a new productive, invigorating environment that:



Fully utilizes and maximizes all space, so that your employees have the room they need to be productive and efficient.

Fosters and encourages collaboration, teamwork, knowledge sharing, and all of the other advantages of collaborative, open workspaces.



Provides employees with the functional spaces they need – such as meeting spaces, presentation spaces, training spaces, and so on.



Use sustainable construction materials and design features to dramatically lower operating and maintenance costs, which means saving thousands a year in utility and energy bills.



Boosts employee morale and engagement, while preventing alienation and isolation.





Makes a winning impression on your customers and other visitors, and ensures that your business is remembered for all of the right reasons.

To learn more about turning your office renovation plans into reality - and reaping the bottom-line rewards for years and decades to come -- contact KEY INTERIORS today and schedule your free consultation.



Established in 1978, Key Interiors has the proven competence and capacity to manage your office renovation project from initial design, all the way through to completion. Our team of forward thinking collaborative partners and interior solutions specialists have a track record of more than 300 successfully completed projects. We also offer a full range of services, including design-build, architectural design, construction management and more, and we have a design center with over 300 lines of office furnishings and contract furniture.



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