

# Optimizing Operating Costs



Businesses in the US are forecasting, revising projections, and scouring the books to find opportunities to control expenses. Leaders are cognizant of the expenses related to operations, recognizing that the lion's share of doing business is labor—accounting for up to 70 percent of total business costs.

Leading organizations are steadfast in their view of people as the most valuable asset. No strategy is achieved, nor service or product made possible, without the right talent. High-performing teams of engaged, productive, and happy employees are critical for any organization that seeks to innovate and thrive. The key is balancing the effectiveness of people and the efficiency of operations and real estate to drive outcomes.

**To confront market challenges, chief operating officers are moving from reactionary to proactive mode.**

**71%** have implemented (or plan to implement) changes in processes to address labor shortages

**40%** are focusing on improving resilience in the workforce

**38%** are accelerating digital transformation

**34%** are planning to simplify product line complexity to manage costs

**32%** are increasing automation

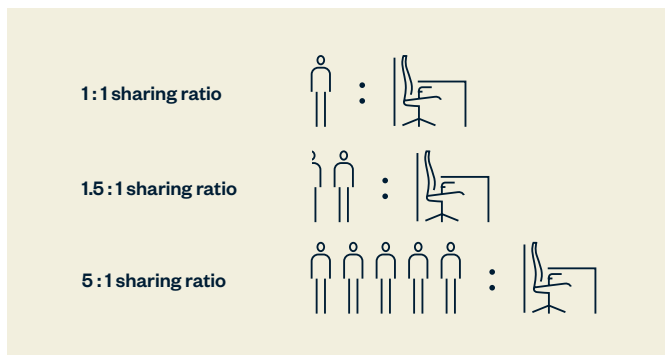
**65%** made improving space data accuracy a goal for 2022

Source: [PwC Pulse Survey, 2022](#)

## Optimizing Sharing Ratios

Sharing ratios are a key metric for companies seeking to optimize their portfolios, according to CBRE. As revealed in their 2022-2023 Global Workplace & Occupancy Insights Survey, a third of corporate real estate decision-makers have not specified a target sharing ratio—the relationship between the number of employees that can share one space over time.

Sharing ratios are a critical planning concept that enables hybrid working, cost savings, and space consideration initiatives. Space sharing efficiencies will vary depending on employee preference and hybrid work strategies. Utilization data can help determine the right sharing ratio based on measurable employee habits and preferences.



Source: [2022-2023 CBRE Global Workplace & Occupancy Insights](#)

## Investments in Technology to Manage Costs

Technology that integrates business operations for employees working from home is a given. The opportunity lies in integrating workplace technologies that interact with the built environment and productivity tools to enable work from anywhere.

**Workplace technologies** that support interacting with the built environment:

- Employee experience apps
- Reservation/booking systems
- Building navigation and wayfinding
- Occupancy sensors
- SMART building technologies

**Productivity technologies** that support employee connection and information sharing:

- Enhanced video conferencing
- Asynchronous communication platforms
- Information management systems
- Process management applications

**Considerations:**

- **Optimize Space** – Validate demand for space and the types of spaces employees prefer
- **Improve Workplace Experience** – Empower employees to choose where, when, and how they work to enhance attraction, retention, engagement, and well-being
- **Reduce Environmental Impact** – Optimize comfort while managing energy and reducing carbon footprint
- **Increase Operational Efficiency** – Automate response to occupancy changes and environmental factors
- **Drive Financial Savings** – Increase operational efficiency and retain happy, healthy, and productive employees to reduce costs