

Comprehensive workplace  
transformation  
How enhanced mobility can  
drive federal cost savings



# “Just as the concept of the alternative workplace keeps evolving, there is no one solution that will work for all organizations.”

— ULI The Workplace of the Future

## Workplace challenges in the Federal Government

Today’s government-wide budget-neutral environment is requiring agencies to do more with less, while complex missions and mandates continue to deepen and grow. Threats to Continuity of Operations (COOP), declining morale across the federal workforce, and requirements to reduce real estate footprint and operating costs require agencies to take immediate steps to address their current facilities, operations, human capital, and workplace initiatives. Inefficient workplace environments continue to drive up operating costs as agencies struggle to recruit and retain talent and update their historically cumbersome processes and outdated IT infrastructures. The Telework Enhancement Act of 2010 and related laws and executive orders mandating paperwork reduction, sustainability, real estate portfolio rationalization, and improved government customer service, impose additional requirements and

regulations on already strained agency operations. The Department of Homeland Security (DHS) is one of many agencies facing these challenges.

DHS has directed components to act promptly in identifying opportunities to develop broad mobility solutions that focus on maximizing the utilization rate of leased facility space in order to produce cost savings.

The Department has initiated a strategy to achieve facilities-related cost savings that leverages workplace flexibility while improving the management and design of federal workspace.<sup>1</sup> Flexible work arrangements are not just a legislative imperative for DHS; workplace flexibility is critical to the successful implementation of DHS’s overall mission by mitigating threats to COOP.

DHS has significantly restricted the number of leases on new facilities it intends to maintain within the National Capital Region (NCR) between now and an anticipated DHS consolidation in FY 2017. DHS has an opportunity to address its operating challenges by seizing the momentum of the current legislative environment and organizational drivers to transform the workplace and realize significant cost savings, streamlined operations, and workforce engagement. To facilitate workplace transformation in a budget-neutral environment, DHS must look to take a holistic approach, moving beyond telework to address the overall workforce needs, workplace environment, and supporting technology infrastructure.

Workplace flexibility is at the top of policy discourse. The Office of Personnel Management (OPM) recently released its 2012 Telework Report, analyzing telework efforts across the federal government to promote a more productive and flexible work environment for its staff. The report provides insight on employee productivity, agency policies, and measurement outcomes, while also identifying opportunities for enhanced technologies and training.

**Table 1: DHS objectives and drivers**

DHS objectives	DHS drivers
<ul style="list-style-type: none"> <li>• Compress facilities</li> <li>• Reduce footprint</li> <li>• Increase productivity</li> <li>• Ensure staff retention</li> <li>• Promote employee engagement and quality of life</li> <li>• Identify additional resources for DHS missions</li> </ul>	<ul style="list-style-type: none"> <li>• Restriction on new leases in National Capital Region ahead of 2017 DHS consolidation</li> <li>• OMB’s M-11-30 requires a 5% reduction in facilities footprint</li> <li>• DHS mandate to implement alternative working solutions and flexible work arrangements-Telework Act 2010</li> <li>• Additional hiring needs as missions become more operational</li> <li>• Resource-constrained budget environment</li> <li>• DHS’s mission to enhance and maintain COOP</li> </ul>

<sup>1</sup> <http://finance.performance.gov/initiative/manage-property/agency/DHS>

### Impact of workplace of the future and real estate efficiencies

#### The Federal Workplace of the Future

Many agencies are looking to go beyond merely addressing their organizational challenges and seek innovative transition to what is known as "the Workplace of The Future" (WPF) — maintaining a competitive advantage in recruiting and retaining top talent through innovative workplace solutions. The Workplace of the Future:

- Works as "One" organization providing flexibility, resources, and environment to support the needs of an evolving workforce and enhance collaboration and productivity to meet the organization's missions
- Embraces emerging mobile technologies, providing access and collaboration on-demand anytime/anywhere
- Provides innovative space designs fostering collaborative and/or individual spaces to reflect the way employees want to work while maximizing use of office space
- Leverages cost efficiencies through a reduced facilities footprint, enhanced staff productivity, and higher space utilization rates

#### Agencies Taking Strides

The U.S. Patent and Trade Office (PTO) has taken excellent strides to increase workplace flexibility and created an environment with staff working collaboratively across the nation.

The General Services Administration (GSA) is regularly cited as a premier leader in the workplace of the future. GSA has instituted a strong workplace flexibility policy, increased space utilization and adoption of mobile technologies, and begun redesigning their office spaces at several locations.

Workplace transformation transitions agencies, such as DHS, from "catching up" to mandates to a radical transformation and a positive approach to looking at where and how the government works while meeting the needs of an efficient and transparent government. Through transformation, agencies develop a tangible feel for what it is like to work in a flexible environment. An integrated workplace transformation approach aligns workplace flexibility, technology solutions, real-estate efficiencies, and modern space design practices. DHS taking an integrated workplace transformation approach, supported through diagnostics tools, leads to greater facility and organizational efficiencies, improved morale, and cost-effective workplace collaboration.

### Workplace transformation approach

#### Integrated workplace transformation

Several organizations have begun to reduce their facilities footprint, address workplace flexibility options, and comply with mandates, but not typically in a coordinated and all-encompassing manner. Many agencies have focused on developing solutions driven by the Telework Enhancement Act requirements and designed to achieve specific outcomes focused on workplace mobility. Agencies looking to successfully move beyond policy compliance toward transformation have taken a holistic approach to their strategy and implementation designs. Transformation is supported by an integrated approach as outlined below to enable a workplace to promote collaboration and productivity, while also capturing cost savings. To reap the organizational and financial benefits, agencies should adopt a workplace transformation roadmap supported by integrated change management approaches. The roadmap includes the following:

- **Workforce flexibility:** Establish an integrated workplace flexibility policy that provides guidance on eligibility, training, and performance through engaging organizational stakeholders
- **Mobile technology solutions:** Develop a technology services strategy and a related IT Investment Plan to provide guidance, security measures, mobile IT requirements, and tracking systems.
- **Real estate planning and facilities efficiencies:** Set facility efficiency and compression targets to establish policy options to harness compression opportunities, identify hoteling options, and track facilities utilization to meet federal mandates and organizational targets
- **Modern space design practices:** Transform underutilized space into collaborative and mission enabling space through researched design options, identified resources, and pilot layouts to establish new reconfiguration targets

**Figure 1: Workplace flexibility transformation strategy**



### Mobility and facilities-driven diagnostic tools





Developing an integrated roadmap focused on the above activities provides agencies the opportunity for budgetary efficiencies and recovery opportunities in a fiscally constrained environment. In order to track and measure the efficiencies and cost savings associated with the workplace transformation approach, diagnostic tools are essential. Agencies transitioning to a mobile environment can see saving opportunities including but not limited to:

- **Commuting** — Individual employee savings associated to transit costs with retained transit subsidy savings for agencies
- **Real-estate** — Enhance space utilization and potentially reduced facilities footprint

- **Operational** — Reduce facilities costs associated with supplies, assets, and facilities operating costs
- **Human capital** — Increase employee retention, talent opportunities, and enhanced collaboration and employee performance

Deloitte has developed a number of diagnostic tools that will help guide decision making, provide feedback for enhancements, and enable an agency to recover the amount of costs while successfully executing its mission. Diagnostic tools are designed for multiple forms of reporting to monitor savings associated with roadmap activities, including performance measurement, asset management, savings forecasting, and space utilization:

**Figure 2: Mobility diagnostic tools**

Mobility-enabling diagnostic tools			
Performance measurement	Asset management	Saving forecasting	Space utilization
 <p>The mobile workforce is trained and managed via collaborative solutions, such as customized SharePoint mobility hubs, providing senior leadership and line supervisors with timely access to performance, asset utilization, and cost savings data.</p>	 <p>Secure, real-time mobile asset management and tracking applications, such as <b>Global Object Search and Trace (GOST)</b>, provide stakeholders with immediate feedback on mobile information technology usage to drive investment planning.</p>	 <p>Executive-level scenario forecasting tools, such as the <b>Mobility Efficiency Tracking and Analysis Tool (META)</b>, provide leadership with strategic planning insights and help identify increased cost efficiencies, saving, and resource recovery opportunities.</p>	 <p>Space utilization — by workspace type, location, and purpose — is monitored, analyzed, and forecasted to drive ongoing reconfiguration activities supporting enhanced collaboration and productivity in the workplace and productivity.</p>

Harnessing the diagnostic tools in tandem with the holistic workplace transformation roadmap efforts enables the savings outlined previously. A component within DHS recently, with the assistance of Deloitte, began developing a detailed workplace flexibility and facilities compression plan. In addition to designing a transformation roadmap, the organization was able to harness a newly developed diagnostic tool — Mobility Efficiency Tracking and Analysis tool (META). META is a survey based performance measurement and saving forecasting application. The scalable forecasting feature enables leaders and policy makers to identify efficiencies captured in a transformed mobile workplace. Through a survey based input, the tool tracks levels of mobility, commuting, and workspace locations. META enables the organization to track current performance figures and provide forecasting capabilities. The component recently conducted a pilot of the tool to demonstrate potential savings associated with half of the

organization participating in levels of mobility<sup>2</sup>:

- Potential commuting costs saved per year could amount to approximately **\$1.15M**, an average of **\$911** per employee
- Employees could save around **241,835** commuting hours per year, an average of 192 hours (**over 2 full pay periods**) per employee, and reduce carbon emissions by over 1,116 tons toward NPPD GHG reduction targets
- The organization could potentially recover up to **\$3.2M** over the course of a year, while freeing up around **389 seats**

<sup>2</sup>46% of the organization reported participating in some level of mobile work — if current mobility trends were extrapolated across the proportion of the organization currently working mobility at about 48% (approximately 1238 individuals) resulted in the following savings through META

“The benefits of the alternative workplace are not always easy to quantify. Reducing office space and reducing rent is one thing, but that is only part of the equation.”

— ULI The Workplace of the Future

**Our qualifications**

Deloitte’s services and capabilities provide cross-functional solutions for workplace transformation. This cross-functional approach is driven by collaboration across Human Capital, Technology, and Strategy & Operations (S&O) service areas. Deloitte brings experienced professionals with extensive understanding of workforce transformation strategies and potential risks associated with the implementation of mobile work programs. Deloitte’s integrated service offerings drive collaboration to deliver differentiated solutions for federal agencies’ mobile work needs:

	Background	Sample qualifications
<b>Real Estate &amp; Location Strategy (RE&amp;LS)</b>	Deloitte’s RE&LS team harnesses Deloitte’s capabilities and experience in facilities and real estate portfolio management to identify savings and efficiency opportunities for organizations. RE&LS leverages innovative space designs to create flexible work environments that increase space utilization.	Deloitte is currently supporting the ICE Office of Facilities Administration’s (OFA) Portfolio Optimization by developing a flexible and cost efficient Facilities Master Plan, including a national co-location strategy that will enable OFA’s current project requirements, accommodate future mission needs and plan for unexpected events. By renovating existing space, the agency was able to accommodate the program requirements for a total cost of \$7.4M, saving \$13.2M in construction costs and \$2M in annual rent savings.
<b>Mobile Technology Services</b>	Effective technology can help a workforce fully adapt to a mobile work environment. Deloitte’s deep experience in enterprise architecture and IT solutions has produced several approaches that enable greater workforce collaboration, accountability, information security, business continuity, inventory management, and cost savings	Deloitte specialists have developed applications supporting mobile workplace efficiencies and cost savings. Asset management and tracking tools like GOST help address agencies’ challenges in a mobile environment in order to track IT assets, monitor utilization, enable mobile employees, and equip mobile space environments. These tools are currently being socialized across DHS organizations to enhance their tracking capabilities
<b>Workplace of the Future (WPF)</b>	WPF transformation provides telework program experience, program management support, and communication and training programs enabling organizations to succeed in telework environments while driving program strategy and implementation of an agency’s telework policy. WPF also supports evaluating, designing, and developing the infrastructure and management strategy required to meet program objectives.	The Department of Energy’s Bonneville Power Administration (BPA) engaged Deloitte to develop a WPF vision and strategy focused on harnessing advances in technology, increasing worker and workplace flexibility, and increasing the overall utilization of office space. BPA is employing an integrated approach that is expected to result in real estate, personnel, and operational efficiencies, an increasingly engaged workforce, and the enhancement of their core objectives. By spacing it out over 7 years, BPA will be able to implement a WPF at their HQ locations (Portland, OR and Vancouver, WA) with a net benefit of over \$5M

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“The cost of accommodating the average Federal associate typically runs \$10,000–\$15,000 annually per person. [Consolidating] 100 workspaces can save an organization over \$1M a year.”

— GSA Cost Per Person Model

#### Transformation of the Modern Workforce

In order to achieve the benefits of an integrated approach, DHS requires (1) an effective diagnosis of its current fiscal state and how workplace transformation can contribute to cost savings and efficiencies, and (2) a holistic plan designed to realize these potential cost savings. Deloitte provides strategies harnessing diagnostic tools to provide a workplace transformation roadmap driven by workplace flexibility that will enable DHS to capitalize on and benefit from a transformed workplace environment. Deloitte’s approach seeks to harmonize mobility, technology, real estate, and space design efforts — all in the pursuit of arming DHS with a wide array of tools to achieve workplace transformation.

A recent Urban Land Institute (ULI) report stressed the importance of a gradual transition to a mobile workplace supported by management’s leadership and support.

Deloitte’s human capital, technology, and strategy and operations professionals are well equipped to make DHS’s transformation as seamless as possible. Through the WPF framework, the RE&LS team, and innovative developments in Mobile Technology Services, Deloitte is prepared to help DHS implement a 21st century mobility strategy that will help the agency retain employees, enhance capital and real estate investments, and realize cost efficiencies. As a result of this transformation, DHS will enhance the work-life balance of its workforce, enhance continuity of operations, strengthen collaboration, and meet organizational performance.



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# If we are creative in responding to the pressure to reduce space, we can use a directive to “think small” as an opportunity to “think big.”

— Dr. Naomi Leventhal, Deloitte Consulting LLP

## Contacts

**Hemal Vaidya** is a Principal with Deloitte Consulting LLP based in Rosslyn, currently serving as the DHS NPPD Account Business Leader. Hemal has a strong background in leading organizational transformation across government, and has extensive experience in financial management, strategy and business planning, and risk management. Hemal has been deeply involved with DHS, working closely with senior leaders during the planning, integration, and stand-up of the new cabinet-level Department and remains heavily engaged with clients across DHS and the federal government. Hemal can be reached at [hvaidya@deloitte.com](mailto:hvaidya@deloitte.com).

**Paul Gallagher** is a Principal in Deloitte Consulting's Federal Strategy & Operations Service Area and the Service Operations Service Line. Paul is a Business Transformation, Process and Financial Improvement and Strategy Implementation Professional responsible for providing business advice and consulting services to Federal leaders on the definition and implementation of performance improvement and business transformation initiatives. Paul can be reached at [pgallagher@deloitte.com](mailto:pgallagher@deloitte.com).

**Dr. Naomi Leventhal** is a Director in Deloitte Consulting's Federal Human Capital Practice. She has over twenty-five years of experience that spans the academic, corporate, and Federal consulting worlds. She is a leader in Deloitte's Workforce Flexibility initiative, directing assignments evaluating new work models that focus on employee performance rather than employee "presence" determined by a set daily schedule in the workplace. Dr. Leventhal is an expert in addressing issues related to organization culture and performance and has assisted numerous organizations in achieving high impact transformation objectives. Naomi can be reached at [naleventhal@deloitte.com](mailto:naleventhal@deloitte.com).

**John Carr** is a Specialist Leader with Deloitte Consulting's Federal Strategy and Operations, Infrastructure Operations, Real Estate and Location Strategy group. He has diverse experience in Federal government real estate law, regulation, policy and procedure development, interpretation and implementation, acquisition and disposal of assets (both real and personal), environmental cleanup law interpretation and implementation, and facility operations and maintenance. John can be reached at [jocarr@deloitte.com](mailto:jocarr@deloitte.com).

**Tom Buckley** is a Senior Manager within Deloitte Consulting's human capital service area. Tom has more than 17 years of professional experience with an emphasis on strategic planning, complex program implementation, strategic change management, strategic communications, and marketing. His consulting work includes design of workforce strategies and strategic positioning, communications, and performance measurement related to large, complex programs. Tom has consulted to numerous clients in the government, finance, and telecommunications sectors. Tom can be reached at [tbuckley@deloitte.com](mailto:tbuckley@deloitte.com).

**Dave Furman** is a Manager with Deloitte Consulting LLP based in Rosslyn. Dave has strong experience, knowledge and skills in process optimization and cost takeout. Dave has supported clients across DHS space for over four years, and has led major transformational efforts at the DHS Office of Infrastructure Protection within the National Protection and Programs Directorate. Dave can be reached at [dfurman@deloitte.com](mailto:dfurman@deloitte.com).

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