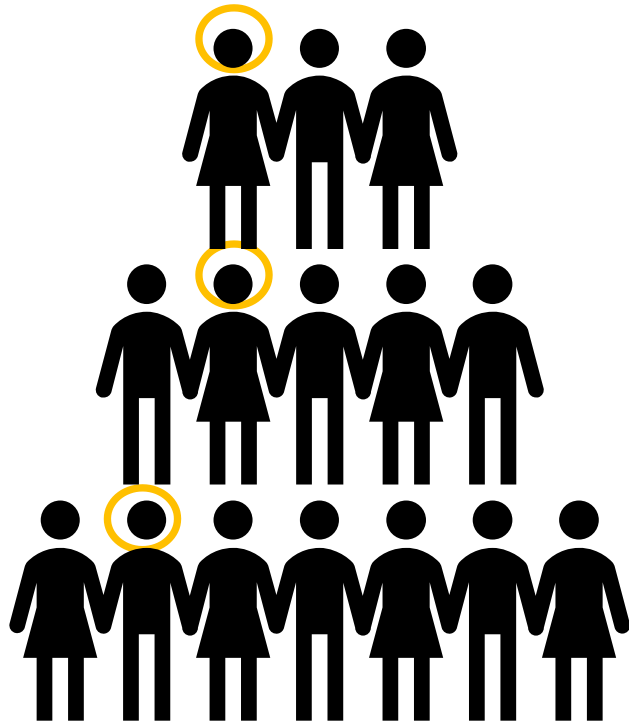


Cost Mgt., Office Space & Remote Work



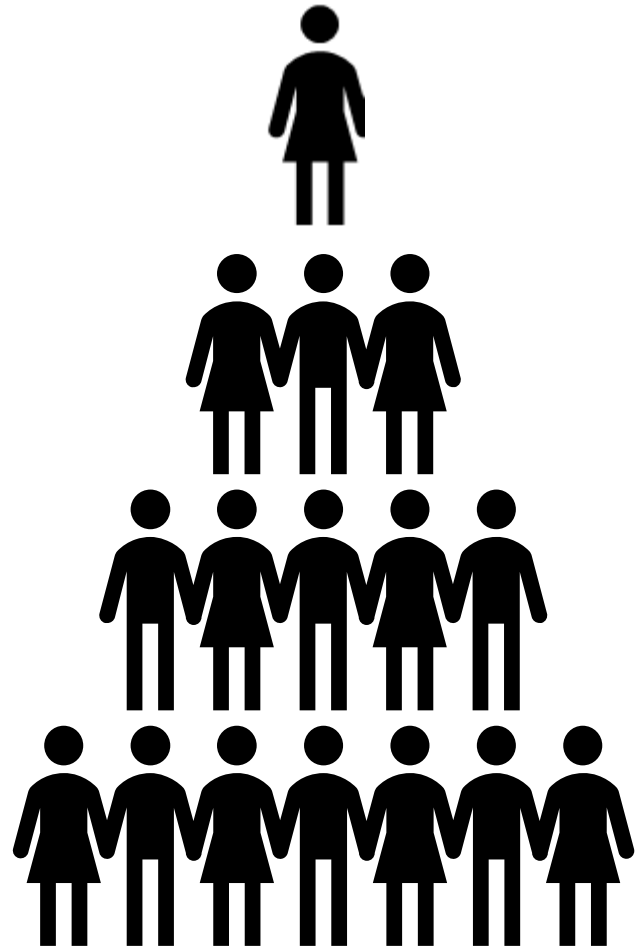
Presenter:

Peter Frix, CDIA, CEIRM

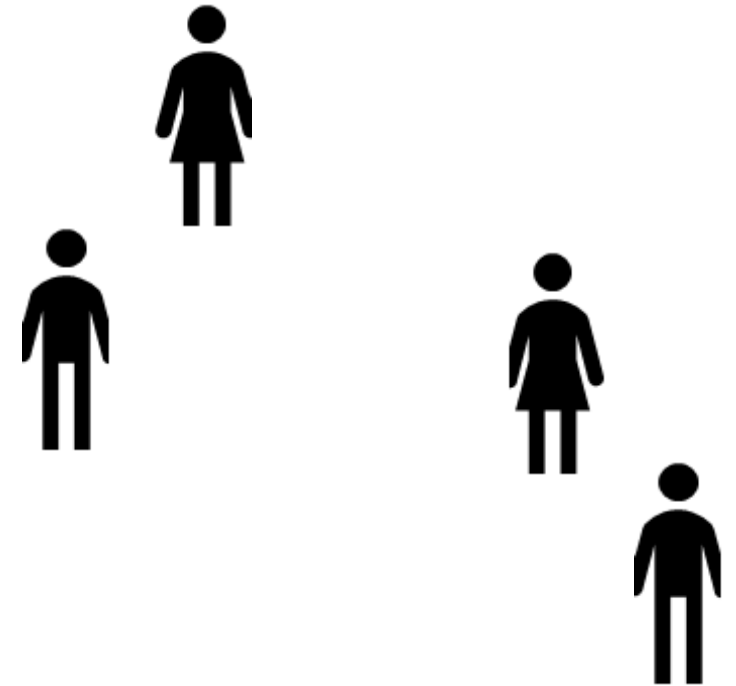
FreeDoc®

pfrix@freedoc.com, (425) 977-4222, ext. 301

2019



2020



Remember when?



Home Alone, or not



After One Year



Working longer = Remote Exhaustion

What happened?

We left work, and went home.

Simple calculation:

Two dimensional web technology (web links & email)

+ 24x7 distraction of home (dog, cat, kids, delivery driver, etc.)

- Loss of direct personal relationships (supervisors, co-workers)

= Delayed processing of exceptions (HR, Finance, Operations)

Return of Capacity

- Email 'tennis' delays and distracts.
- Work still remains at the end of the week.
- Current staff is already over-burdened.
- How can current staff do more work?
- 'In person' communication is more efficient.

Productivity & Job Satisfaction

■ Tech Republic

- *“Data suggests remote work has a “productivity tax.”*

■ Aternity

- *“US leads for number of remote workers and decline in productivity*
 - *Overall productivity has dropped by 14%.*

■ Vocon survey

- *40 percent of agencies saw productivity decreases.*
- *25 percent are seeing employee exhaustion by working from home every day.*

Agency Purpose

Mission Statement

FreeDoc

We use our talents, skills & abilities to serve our customer.

Our customer serves their customer.

We serve the customer of our customer.

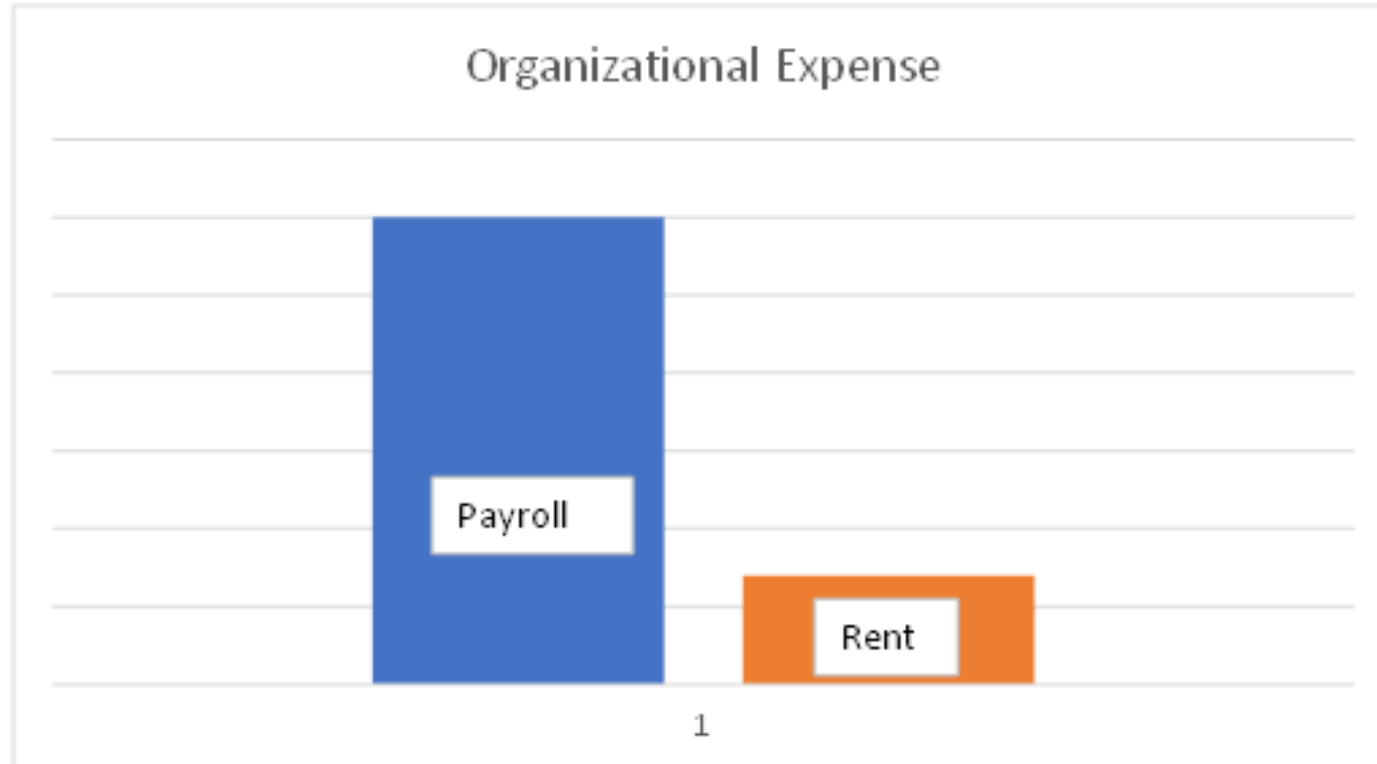
Office Space – Pre COVID



Office Space Expense

- Office space runs \$50 – \$90/square foot.
- Cubicle – \$800/yr./person, (Pre-COVID 6’x6’)
- File cabinet – \$1,200/yr., plus office supplies

Agency Expense Comparison



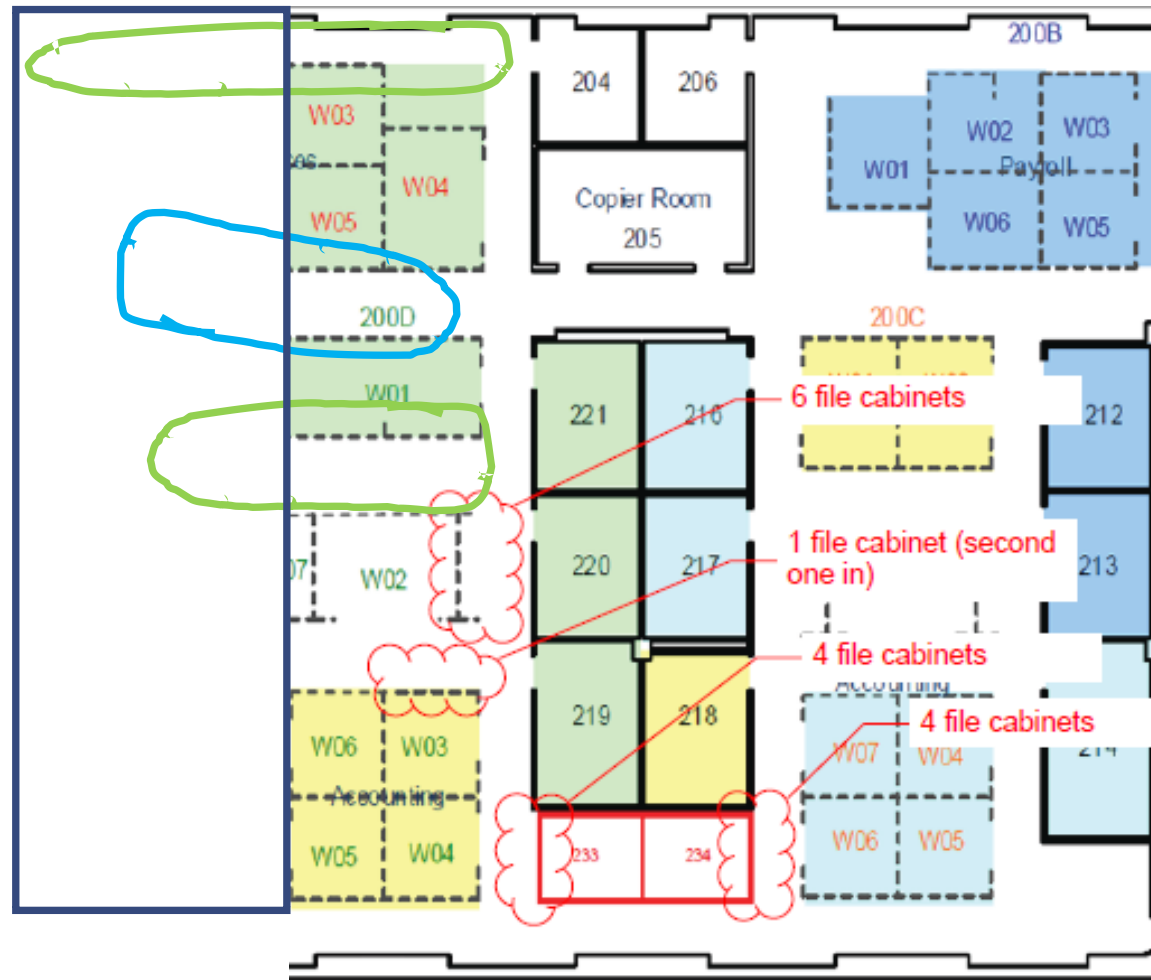
Enterprise Planning

58.25% of companies plan to combine remote and in-office work in the future.

Only **15.5%** intend to go back to full-time office work.



Re-allocating space for Higher Utility



Use Technology to Serve People

- Digitize file cabinets.
- Source all information in a single location (ECM).
- Open up the office space for larger cubicles.
- Allow co-working in phases for in-person communication

Load Transfer



Mindshift

*“The problem we think is the problem,
is not the REAL problem.
The real problem is bigger.”*

Daniel Burrus

Gross Payroll Expense - Accounting

Expense				
Gross Pay	Hrly Rate	Fed Taxes	State Accident / Work Comp	Gross Expense
36,000	17.31	1.48	0.80	40,746
48,000	23.08	1.98	0.80	53,773
60,000	28.85	2.47	0.80	66,800
72,000	34.62	2.96	0.80	79,827
84,000	40.38	3.46	0.80	92,854
100,000	48.08	4.12	0.80	110,224

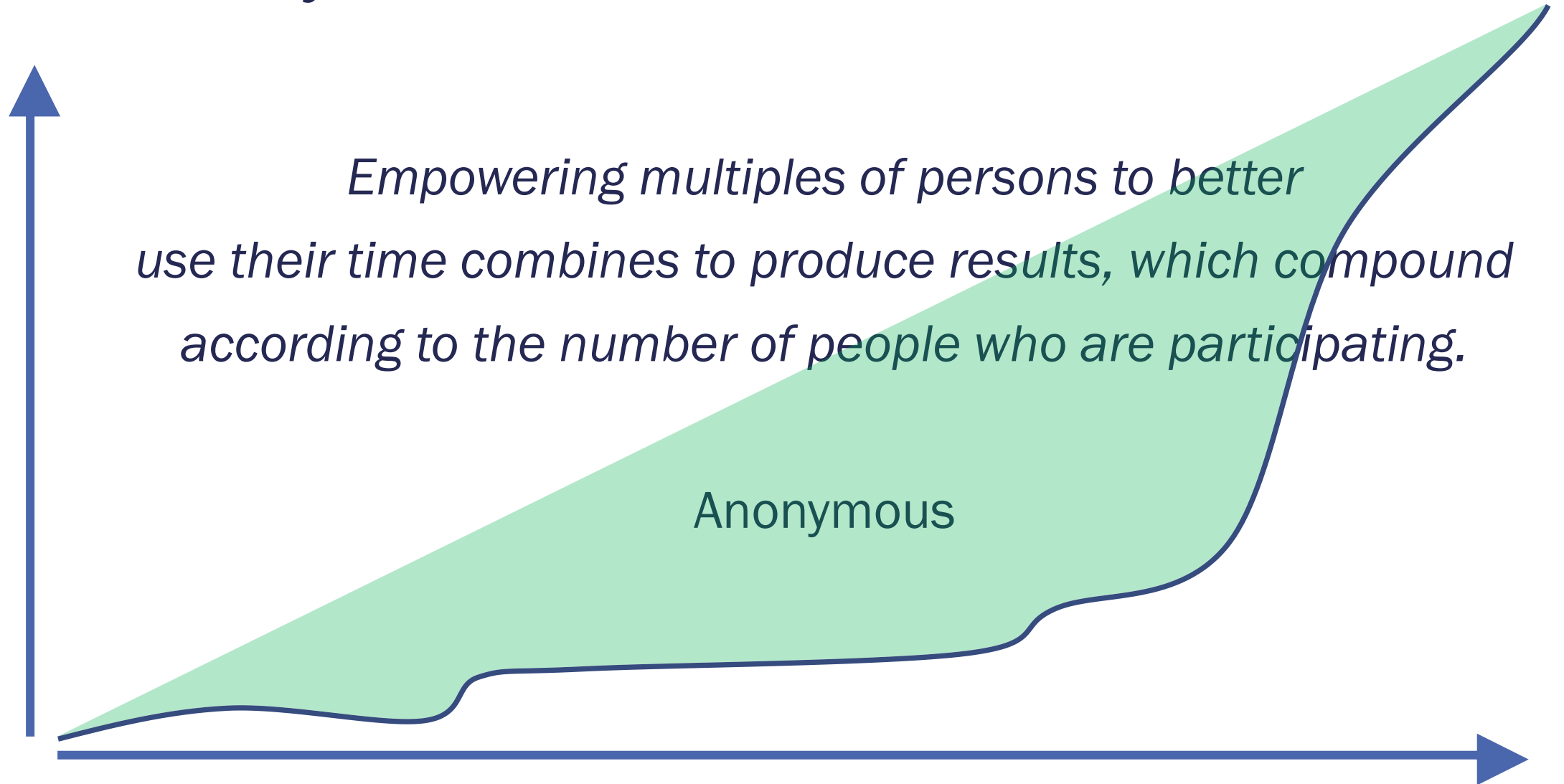
Organizational Expense

Vacation & PTO			Final Expense		
Vacation & PTO	Rest Breaks	Training	Lost Time	Work Time	Operating Expense
163.00	87.50	20.00	87.50	70%	58,208
163.00	87.50	20.00	87.50	70%	76,818
163.00	87.50	20.00	87.50	75%	89,067
163.00	87.50	20.00	87.50	80%	99,784
163.00	87.50	20.00	87.50	85%	109,240
163.00	87.50	20.00	87.50	85%	129,675

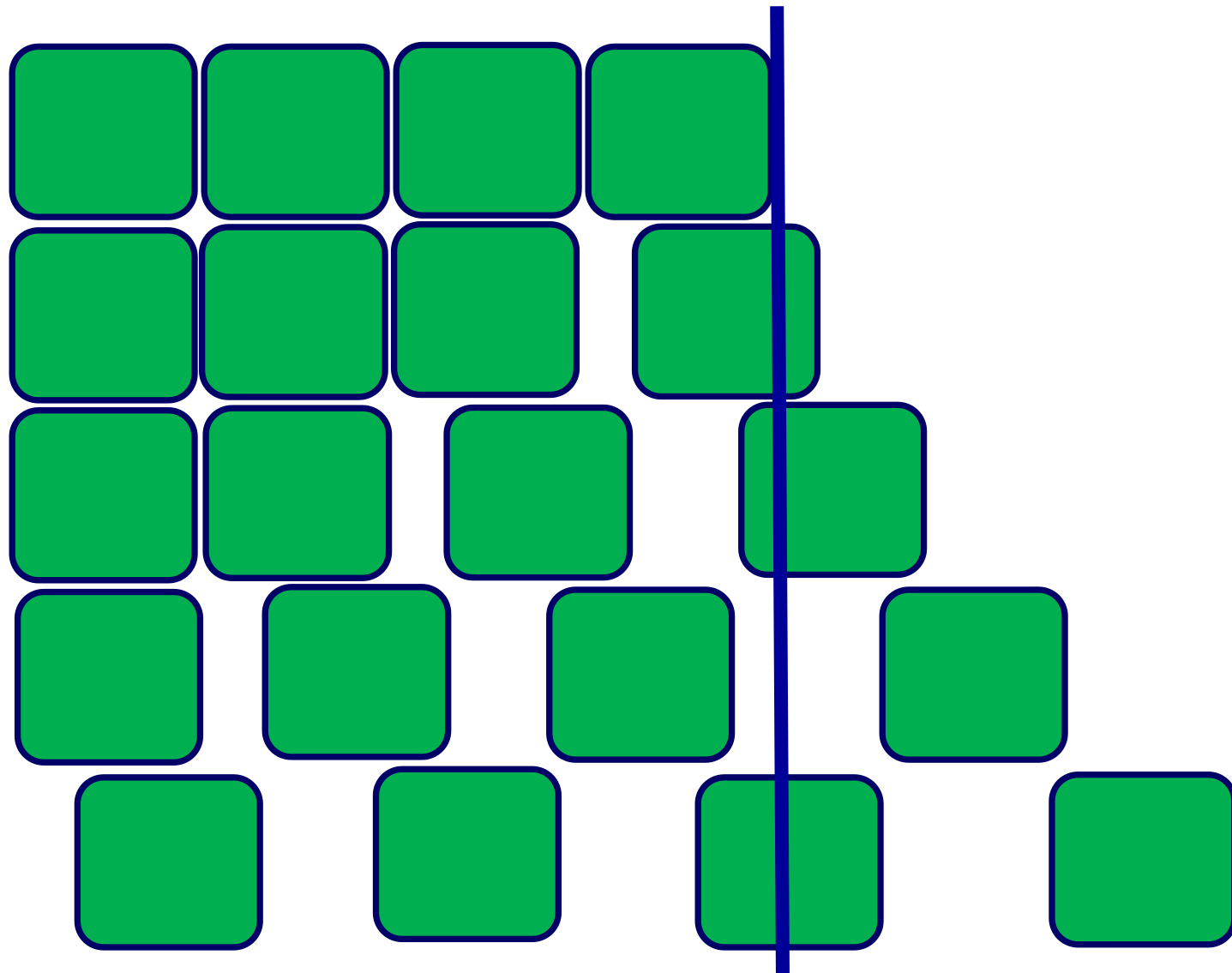
Payroll Expense

- Cash expense is 120% of gross payroll
- Cash + Non cash expense are 135% of gross payroll
- Utility value (work time) is 161% of gross payroll

ROI is Dynamic



ROI magnification



1.2 x 1 Dept = 120%

1.2 x 2 Dept = 144%

1.2 x 3 Dept = 173%

1.2 x 4 Dept = 207%

Return of (lost) Capacity

25% Return of Capacity		
IDC - 25% File Search Time	Staff of four increase by 25%	Staff of forty increase by 25%
500	\$ 40,746	\$ 407,456
500	\$ 53,773	\$ 537,728
500	\$ 66,800	\$ 668,000
500	\$ 79,827	\$ 798,272
500	\$ 92,854	\$ 928,544
500	\$ 110,224	\$1,102,240

ECM Improves Organizational Efficiency

- **Need for Space** lessens 10% – 30 %.
- **Productivity** increases 30% – 80%.
- **Workflow** promotes action – invites work to continue.
- **Integration** speeds processing & avoids errors.

Improved Outcome

External

Research Request
Document
Response
Compliance

Morale

Customer Appreciation
Increased Health
Job Satisfaction
Staff Retention

Internal

Research Request
Document
Response
Empower
Manage
Compliance

K12 – Increased transcripts expense

Goal – Improve the process.

Action – Digitize records into a secure interface.

Justification – Reduce maintenance expense.

Result – Digitized with database.

Bonus #1 – Reduced processing time by 80%.

Bonus #2 – Reduced work load.

Bonus #3 – Our HR contact received two promotions in 3 years.

Pension Fund Claims Processing

- Goal*** – Reduce processing time.
- Action*** – Digitize 14 million frames of microfilm.
- Justification*** – Reduced overhead \$1.4 m/yr.
- Result*** – Survivors received survivor benefits in 30 days.
- Bonus #1*** – Reduced staff turnover.

Enterprise Dynamics

***“We over estimate what we can do in a month.
We under estimate what we can do in a year.”***

Elon Musk



“What would be amazing?”

Anonymous