

# Case Study – Facilities & Space Programming

## *Administrative Services Layout & Design*

### **Client:**

A global and leading health care group with core businesses in pharmaceuticals and diagnostics. The company's headquarters, located in New Jersey, included facilities for administrative offices, laboratories, test manufacturing, product processing, engineering and maintenance, storage, transportation, and administrative support services. This extensive campus contained more than fifty buildings.

### **Issues:**

As part of a cost reduction initiative, the client had set out to reengineer, rearrange, and consolidate the buildings and facilities on its headquarters campus. Preliminary assessments suggested that the company's mail operation, central copy center, corporate receiving, and internal bulk package distribution could be combined into a single new central services building. At the time, mail services and the copy center operated from a building slated for demolition to make room for a critically important new laboratory building. Even if the proposed laboratory did not receive final approval, the client's engineering and construction departments anticipated that sufficient operational efficiencies would still justify the cost of a new support service facility. Mail and bulk distribution items processed per year exceeded 10 million pieces, while the corporate receiving function handled more than 200,000 transactions. A time-sensitive building revision schedule, forced by building permit application deadlines, necessitated speedy development of a site plan and building layout prior to the completion of a full operational efficiency analysis.

### **Methodology:**

In early 1996, the client engaged HMC to analyze the benefits and efficiencies resulting from the potential consolidation of four administrative support groups into a new central services building. Key engagement objectives included concepts for new or streamlined work processes and procedures, and alternative organizational structures to effectively manage the combined operation. We were also requested to provide recommendations on workflow improvements, equipment modifications or upgrades, staffing, and schematic building layouts.

HMC evaluated existing service locations, interviewed managers and supervisors, and observed the service operations at peak volume hours. We also:

- Followed mail and packages pick-up and delivery routes through more than fifty buildings.
- Studied workflow processes.
- Reviewed expected processing volume trends.
- Analyzed each service group's statistical reporting methodology and anticipated future budget levels.

- Assessed the results of a mail services survey, conducted concurrently by HMC.

In developing final project recommendations, HMC also incorporated feedback from management on our proposed improvement ideas and solutions, enhanced some area layouts, researched new service center equipment configurations, and developed alternatives for management consideration.

### ***Deliverables:***

First, HMC provided building schematics for the new facility within very limited time constraints. These plans also included building access solutions, in addition to exterior large vehicle traffic and parking pattern descriptions. The schematics for an 18,000 square foot building depicted dedicated areas for each anticipated function, as well as furniture and fixtures layouts.

Second, HMC submitted a comprehensive project report that addressed business concepts for the consolidation of mail, copying and packages operations and distribution. This report presented recommendations for improving processing efficiencies in a single service center that featured much-enhanced staff working environments and contained shared mail and packages handling fixtures. The document also recommended revisions to the building campus delivery routes, as well as creation of a shared wireless communications network and vehicle fleet. HMC noted that further efficiencies could be achieved by redesigning the workflow structures, implementing technology upgrades at processing stations, and introducing employee cross training. Attachments to the report included new work flow diagrams, as well as charts and statistics to support the recommendations. Other sections outlined an alternative organizational reporting structure, staffing reductions, estimated equipment and vehicles savings, working hours revisions, and improved budgeting and financial reporting practices.

As the campus rearrangement progressed, the proposal for a new service center building was dropped in favor of refurbishing an existing, conveniently located facility. However, the HMC plans for the new building were easily revised for use in the selected alternative location, almost without change. In late 1996, a follow-up study and report addressed specific recommendations for routing, workflow, and facilities and fixtures improvements at campus buildings served by the combined administrative services group.

### ***Results:***

The conceptual combined support services operation and new building layout plans prepared by HMC received general acceptance by the client as well as by the administrative support functions involved in the analysis. A Capital Expenditures Request submitted to management provided for the refurbishment of the selected facility and acquisition of new fixtures. Annual budget savings from combining operations were estimated to reach 30% two years after full implementation. The consolidated service staff could be reduced by 40%, and the number of vehicles used for deliveries by almost 50%, without any anticipated drop in service levels to client user departments located on or near the headquarters campus.