

The Impact of Churn (Excerpt)

**The following is an excerpt from the Herman Miller Research Summary:
The Impact of Churn on Managing Workplace Assets (©2003).**

“The business realities behind churn

Research that looked at the best facility management practices of more than 60 large companies identified 3 primary sources or levels of churn within an organization

1 Companywide restructuring, as a result of mergers, downsizing, and total quality management-based consolidations

2 Ongoing employee moves (co-locations) to assure greater efficiencies within and between operations and departments

3 Ongoing formation and operation of project teams

Moves that constitute churn occur at various levels of intensity, as well. Box moves, where employees move to existing workspaces, involve relocating files and supplies, not furniture or power and data cabling. Furniture moves represent a higher level of complexity, with reconfiguration of existing furniture or addition of new furnishings, although minimal changes to cabling. The most complex classification, construction moves, include new walls, additional wiring for power and data, as well as new or additional furnishings.

Costs associated with the three major elements involved in these moves—furniture, cabling, and walls—vary depending on a number of factors. These include prevailing labor rates, materials used (Category 5e versus fiber optic cabling), and the technology support required (low for an insurance claims processor, for example, compared to that needed for a CAD engineer).

IFMA-member companies reported that box moves average \$160, whereas furniture moves averaged \$729 per move, excluding power and cabling changes. An earlier study found that companies move freestanding furniture most frequently—daily to monthly—and is easier and less costly to move than systems furniture. Systems components are moved, on average, four to five times a year, while systems panels are moved one to two times a year.

Moves that include changes to power and cabling range from \$200 for simple changes or additions to \$600 for extra circuits and receptacles. Perhaps even more significant are the “soft costs” associated with downtime (lost productivity because workers have no access to networks) and the additional costs of reconfiguring after hours or on weekends when premium labor rates are in effect. Typically, the costs per drop bringing two or three cables into a single workstation) are an additional \$300 to \$450, and this is only for data cabling; electrical is additional.

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Systems panels that are perpendicular to spine walls and form office spaces are moved, on average, once a year, while movable walls that enclose team rooms or departments are moved once every one or two years. Full-height drywall construction for team space perimeters, spine walls, and team/department enclosing walls is changed once every two to three years. Drywall changes take the most time to accomplish, and while those changes are made least often, they are the most costly— \$100 to \$200 per finished linear foot with cable installed.”

For the complete text of this research summary, please CONTACT Thomas Interior Systems.