

Baton Rouge Chapter - Louisiana Credit Union League  
January 9, 2008 Meeting

Barry Lynch of Labarre Associates was the guest speaker at the January 9<sup>th</sup> Baton Rouge chapter meeting. He delivered an entertaining presentation titled "Are you paying too much for your facilities?" Highlights include:

Credit Unions should use a set of three measures to track facility operating cost:

- Cost per sq. ft.
- Cost per Person
- Sq. ft. per person

And compare the actual with industry benchmarks.

Some benchmarks that Credit Unions might use include:

Rentable Sq. Ft. per person (office environment)

- Financial institutions: 361 sq. ft. per person
- Headquarters: 329 sq. ft. per person
- Call Centers 171 sq. ft. per person
- Data Centers 394 sq. ft. per person

Operating Cost per sq. ft. (utilities, janitorial, security, taxes, insurance, maintenance, roads, grounds and administrative costs)

- Financial Institutions \$5.63/ sq. ft.
- South Central States \$5.36/ sq. ft.
- Call Center \$5.79/ sq. ft.

Cost per person

- The mid range of organizations are seeing costs in the \$7,000 -\$10,000 per person range.

Lynch concluded that the lack of a space management system and the insidious creep of responsibility for facility management into multiple employees' job descriptions were the largest contributions to cost increases and were directly responsible for diverting employees focus away from the core business of Credit Unions – customer service, new products and increased membership.

Labarre Associates is a multi-disciplined organization offering facility management, strategic facility planning, architecture, construction and real estate services.