

# How to Calculate Productivity Gains from Workspace Improvements

Factor	Code	Formula	Notes
Annual Revenue	A		All self-explanatory
Number of employees	B		
Profit \$	P		
Profit Margin %	M	P/A	
Revenue per Employee	C	A/B	
Productivity Enhancement Estimate	D		Enter a figure for your building feature's productivity gain
Productivity Enhancement per Employee	E	C X D	Multiply the above gain by each employee's revenue
Profit Gain Per Employee	F	M X E	The profit margin on each employee's additional revenue
Company Profit Gain	G	F X B	Multiply the above \$ additional margin by the number of employees
Margin Gain		G/P	Self-explanatory
New Margin	H	P + G	New bottom line for the year

Net Present Value over ten years  
Old Multiple on Company Value (@ say 6)  
New Multiple on Company Value (@ say

P X 6

H X 6

$$NPV = \frac{R_t}{(1 + i)^t}$$

NPV = net present value

$R_t$  = net cash flow at time t

$i$  = discount rate

$t$  = time of the cash flow