

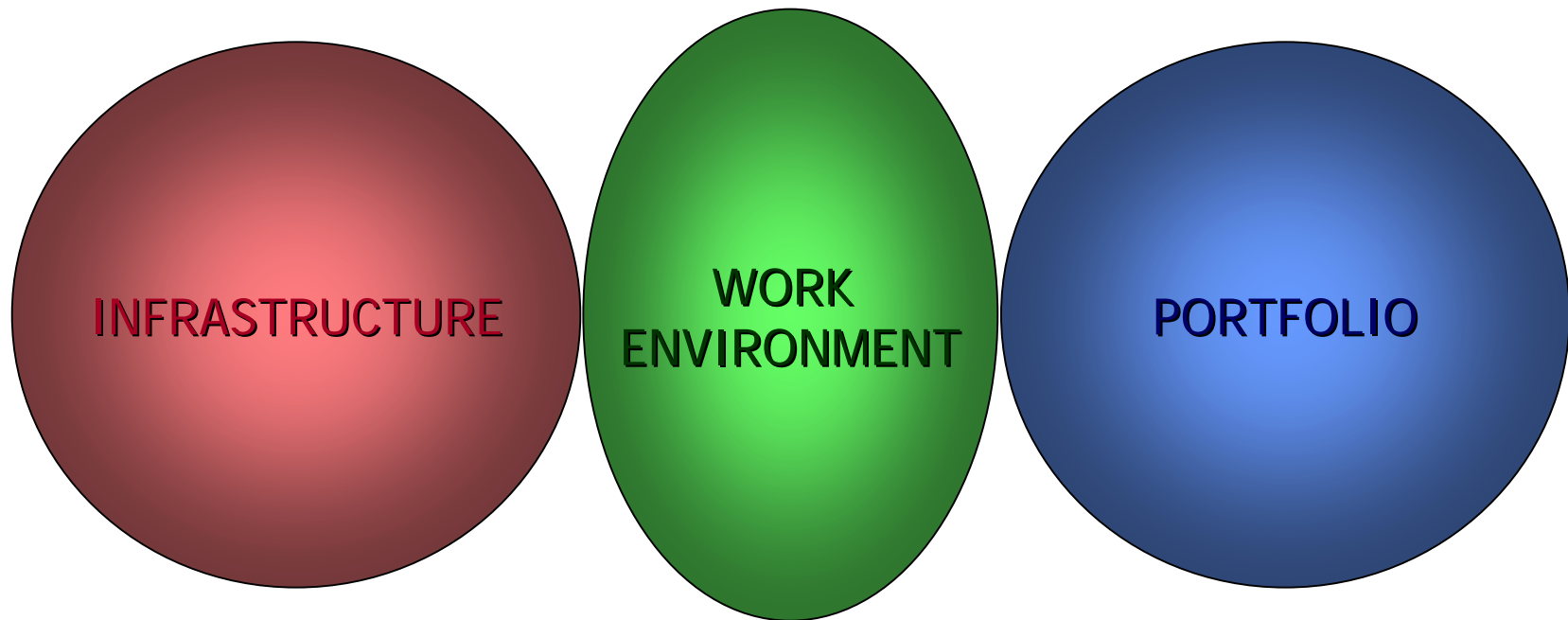


The CRE / FM Organization

Past ● Present ● Future



workplace intelligence dedicated to business performance



Company Size in relation to functional responsibility

	Small (up to 499,000SF)	Medium (500,000 to 999,000SF)	Large (1,000,000 to 2,499,000SF)	Big (2,500,000 Plus)
Budgeting	Office Manager	Operations Manager	Facility Management	Corporate Workplace Services
Building Operations & Maintenance	Property Manager	Operations Manager	Facility Management	Corporate Workplace Services
Health, Safety, Security	Property Manager	Security Officer	Facility Management	Corporate Workplace Services
MAC	Office Manager	Operations Manager	Facility Management	Corporate Workplace Services
Networks	Office Manager	Network Administrator	Information Management	Information Technology
Office Layout & Design	Office Manager	Operations Manager	Facility Management	Corporate Workplace Services
Policies, Procedures, Standards	None	Operations Manager	Facility Management	Corporate Workplace Services
Portfolio Management	Office Manager	Finance / Accounting	Corporate Real Estate	Corporate Workplace Services
Project Management (Construction / Renovation)	Office Manager	Operations Manager	Facility Management	Corporate Workplace Services
Property Accounting	Accounting	Accounting	Corporate Real Estate	Corporate Workplace Services
Quality Management, Benchmarking, & Best Practices	None	Operations Manager	Facility Management	Corporate Workplace Services
Real Estate Asset Management	Office Manager	Purchasing Agent	Corporate Real Estate	Corporate Workplace Services
Real Estate Transactions	Office Manager	Finance / Accounting	Corporate Real Estate	Corporate Workplace Services
Space Management	Office Manager	Operations Manager	Facility Management	Corporate Workplace Services
Strategic Planning	None	None	Facility Management	Corporate Workplace Services
Tactical Planning	Office Manager	Operations Manager	Facility Management	Corporate Workplace Services
Telecommunications	Office Manager	Telecommunications Manager	Telecommunications Department	Telecommunications Division

- **Early to Mid 1900's**
 - New Products and Services
 - Centralized Organizations
 - Expanding Markets Nationally

- **Local Brokerages / Developers**
 - Focus: Transactions / Construction
 - Who: Directed by the owner or senior leader

- **Building Operations and Maintenance**
 - Focus: Physical Plant
 - Who: Plant Engineer

- **Office Space**
 - Focus: Designed with little change in mind
 - Who: Office Manager



Johnson Wax Building 1944

■ Post 1970's thru early 1990's

- Mergers and Acquisitions
 - Corporate Relocations
 - Distributed Operations
- ## ■ National Brokerages / Developers
- Focus: Real Estate Envelope
 - Who: Real Estate Officer



COURTESY: HERMAN MILLER
Action Office 1978

■ Localized Building Operations and Maintenance

- Focus: Preventative Maintenance
 - Who: Operations Manager
- ## ■ Workplace
- Focus: Advent of the "Cubicle" designed for change
 - Who: Corporate Architect / Furniture Dealer

■ Mid 1990's to Today

- Globalization
- Efficiency
- Outsourcing / Offshoring

■ Global Brokerages / Developers

- Focus: Real Estate Portfolio
- Who: Corporate Real Estate Executive

■ Centralized Building Operations and Maintenance

- Focus: Infrastructure Recapitalization
- Who: The Facility Manager

■ Work Environment

- Focus: Alternative workplaces, work settings
- Who: Workplace Strategist



COURTESY: HERMAN MILLER

Ethospace 2002

- **Three significant events that are shaping the course for the future of real estate ...**
 - ➔ **The Shared Services Organization**
 - ➔ **IFMA**
 - ➔ **CORENET Global**

■ Definition

Shared Services refers to the provision of a service by one part of an organization or group where that service had previously been found in more than one part of the organization or group. Thus the funding and resourcing of the service is shared and the providing department effectively becomes an internal service provider. The key is the idea of 'sharing' within an organization or group. [Wikipedia](#)

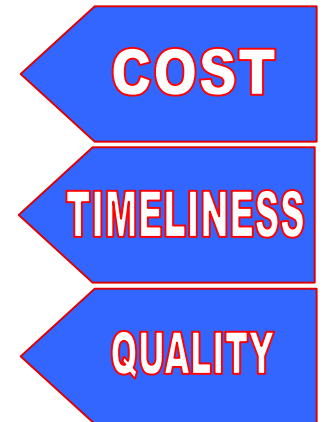
■ Shared Service organizations are usually characterized by the use of the word 'shared', and/or 'service', in their division and department names.

- Siemens Global Shared Services
- Verizon Services Corporation
- Boeing Shared Services Group
- Lockheed Martin Corporate Shared Services
- NASA Shared Services Company (NSSC)
- Wachovia Corporate Services
- Capital One Services Inc.
- Procter & Gamble Global Business Services
- Enterprise Operations Services – Duke Energy

■ Business Objectives

The primary objectives, and the reason why so many major organizations have implemented shared services, is to:

1. Reduce and optimize costs associated with an organization's non-core activities
2. Improve operational efficiencies & productivity
3. Provide better service to (internal) customers
4. Measure and better understand back office costs, efficiencies and business unit necessities as a pre-cursor to outsourcing or offshoring



Designing and building an SSC is centered on fostering a front-office mentality and culture to complete what are normally thought of as back-office functions. This requires a focus on customer relationship, cost containment, process and service delivery excellence, and continuous improvement. Accenture

Targeted Areas

Tier One

Volume-Based Services

Transactional

Processing

Administrative

- Finance and Accounting
- Human Resources
- Information Technology

Tier Two

Knowledge-Based Services

Specialized expertise

Consultative and Integrated Solutions

- Real Estate, Property Management, Facilities Management, Asset Management
- Legal and General Counsel
- Treasury
- Supply Chain, Procurement & Logistics
- Disaster Recovery, Contingency Planning, Business Continuity
- Software/Applications Development & Maintenance
- Systems Testing & Maintenance
- Research & Development
- Training, Corporate Universities
- Maintenance Planning
- Marketing, Customer Service, CRM, Database Management
- Accounts Receivable, Billing & Collections

International Quality and Productivity Center

Types of Staff Services	What is being Leveraged	Customers	Service Characteristics
	Governance	CEO COO and other corporate executives Board of directors External regulatory agencies	Direction-setting Compliance-oriented Fiduciary-type matters
	Client Relationship	Business Unit executives Business Unit operating management	Strategic Business imperatives Externally focused on customers and competitors
	Knowledge	Department managers and supervisors Teams	Specialized knowledge Consultative Integrated solutions
	Volume	All/most employees External customers	Transactional Processing Administrative

Centers of Expertise and Scale are candidates for Shared Services because they provide the greatest opportunities for leveraging efficiency across customer segments.

The Amherst Group Limited



- The Shared Services strategy has been around since the 1990's in use by companies around the world
- Large organizations such as the BBC, BP, Bristol Myers Squibb, Ford, GE, HP, Pfizer, Rolls-Royce, and SAP are operating them with great success
- More than 30% of U.S. Fortune 500 companies have implemented a shared service organization
- Overall, cost reductions on average are 14% globally and 15% in North America
- The more sophisticated Shared Services organizations use Service Level Agreements, Chargeback for Services, and either have or are considering outsourced partnerships to provide services
- Takes about two years to implement

'Success through Shared Services' ATKearney

- Formed in 1980, IFMA certifies facility managers, conducts research, provides educational programs, recognizes facility management degree and certificate programs and produces World Workplace, the world's largest facility management conference and exposition.
- Supporting more than 19,000 members in 60 countries. The association's members, represented in 125 chapters and 15 councils worldwide, manage more than 37 billion square feet of property and annually purchase more than \$100 billion in products and services.
- IFMA is the world's largest and most widely recognized international association for professional facility managers



- The Certified Facility Manager (CFM) credential sets the industry standard for ensuring knowledge and abilities of practicing facility managers. The certification process is designed to assess competence in the field through work experience, education and the ability to pass a comprehensive exam. Since the program began in 1992, more than 3100 facility managers from 32 countries have achieved this prestigious recognition.



- IFMA recognized the need for a designation for entry-level and transitioning facility professionals who do not yet have the hands-on experience required for obtaining the CFM.
- A knowledge-based credential, the Facility Management Professional (FMP) is designed to accelerate an FM's transition into the profession.

- The IFMA Foundation has developed standards to recognize quality facility management first-professional degree programs at colleges and universities.
 - **Brigham Young University**, Provo, Utah offers a B.S. degree in Facilities Management with a Business Management Minor
 - **Cornell University**, Ithaca, New York offers a B.S. and M.S. degree in Facilities Management.
 - **Ferris State University**, Big Rapids, Michigan offers a Bachelor of Science degree program in Facilities Management through the College of Technology.
 - **Georgia Institute of Technology** (Georgia Tech), Atlanta, Georgia, offers a Master of Science in Building Construction and Integrated Facility Management through the College of Architecture, Building Construction Program.
 - **Pratt Institute** – Manhattan, New York, New York offers a Master of Science Degree in Facilities Management through the School of Architecture, Department of Facilities Management.
 - **Wentworth Institute of Technology**, Boston, Massachusetts, offers a B.S. in Facilities Planning & Management through the Department of Design & Facilities.

■ CORENET Global

- Formed in 2002 by merging of International Development Research Council (IDRC) and The International Association of Corporate Real Estate Executives (NACOR)
- CoreNet Global is the world's leading professional association for corporate real estate and workplace executives serving leading multinational companies from the Fortune and Global 1000. More than 7,000 members manage over \$1.2-trillion in real estate and workplace assets in Asia, Australia, Europe, Latin America and North America.



Master of **Corporate Real Estate**

Focus is on the strategic management of corporate real estate



Senior **Leader of Corporate Real Estate**

Focus is on the development of essential leadership skills needed to drive strategies that create value

■ Shared Services

- Defining the Business
- Formalizing Process, etc.
- Operating as a Business
- Engaging External Industry

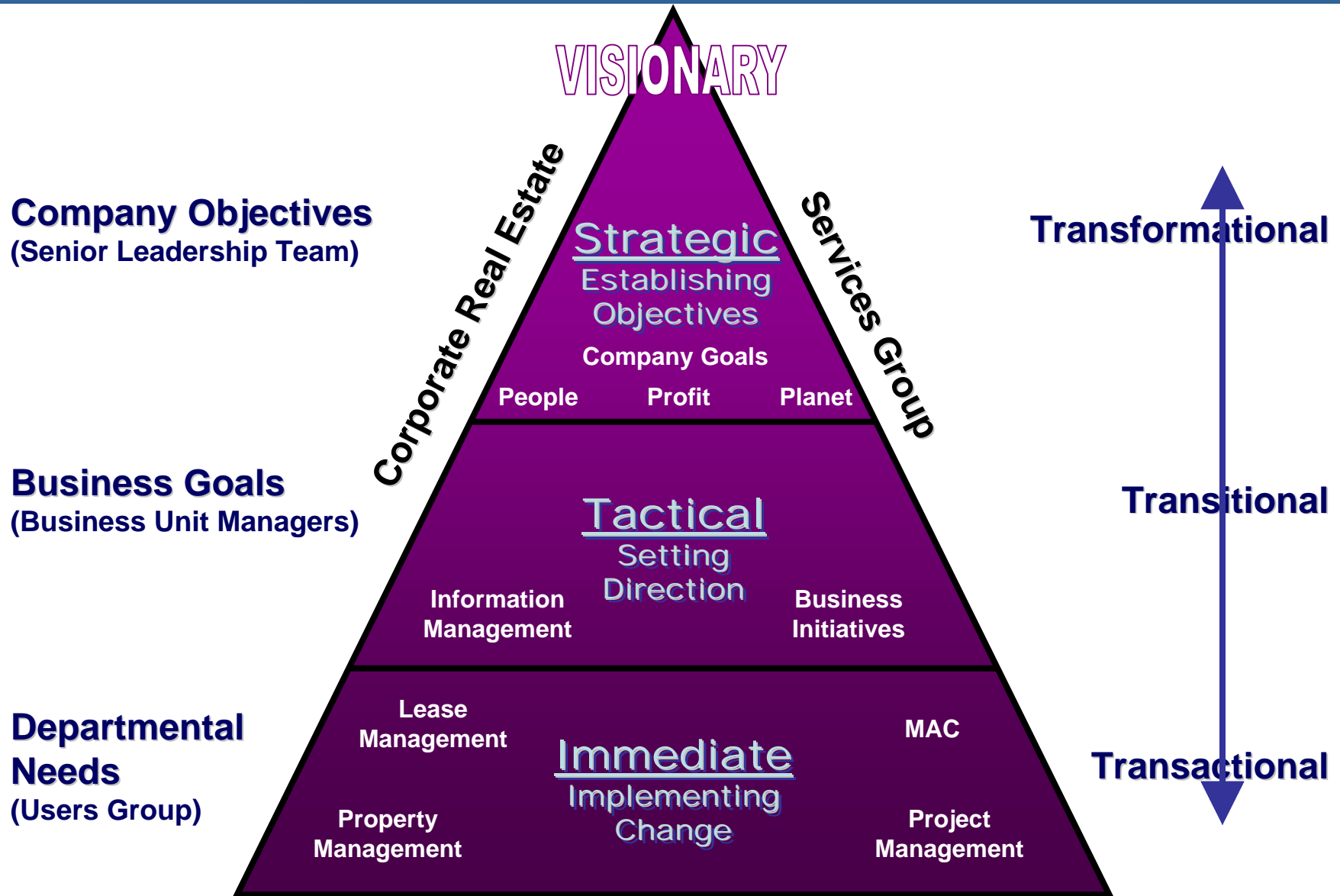
■ IFMA

- Providing Education
- Promoting Best Practices
- Network of Professionals
- Conducting Benchmark Surveys

■ CORENET

- Network of Industry Leaders
- Collaboration of Innovative Ideas
- Consultative Leadership
- Research





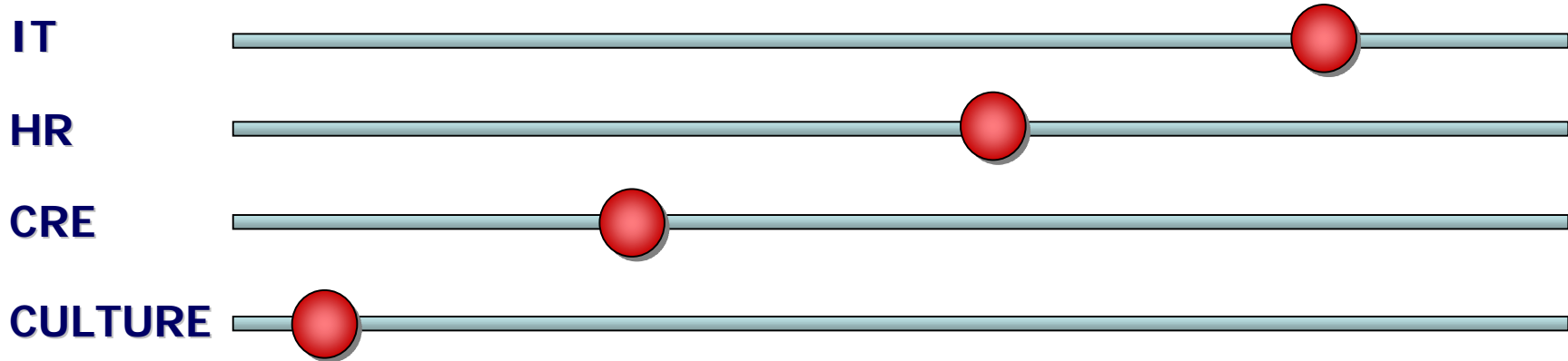


■ Alignment of CRE, IT, and HR

(Typically 3 largest expenses in a company)

To accomplish this requires extensive relationship management with business units and integrating occupancy (CRE), connectivity (IT), financial acumen (Fin), and management policies (HR), based on a firm understanding of how individuals and teams actually do their work, and how that work may, in turn, be influenced by this bundle of infrastructure and support services.

Integrated Resource Manager



Alignment indicates clear direction, and communicates a clear message about culture.

TRADITIONAL/HISTORICAL VIEW

When and where work happens is relatively defined as at the office
Performance measured primarily around individual work and site based supervision
Team members located in the same site for cooperation and collaboration
Space designed to reinforce status and hierarchy
Organization-centric model for workplace provision
Maintain extra space inventory in locations to accommodate growth

THE EMERGING VIEW

Work happens where and when it needs to, fluid, mobile
Productivity measured on team and individual results; mentoring and coaching rather than supervision
Virtual and remote teams need to collaborate in multiple ways
Space designed based on functions and tasks
Individual-centric model for career / work process / workplace resource use
Constant organizational change requires new ways to flex for growth

■ The Future

- Innovation
- Collaboration
- Strategists

■ International Brokerages / Developers

- Focus: Strategy & Innovation
- Who: Corporate Real Estate Executive

■ Automated Building Operations and Maintenance

- Focus: Environmental Control
- Who: The Facility Manager

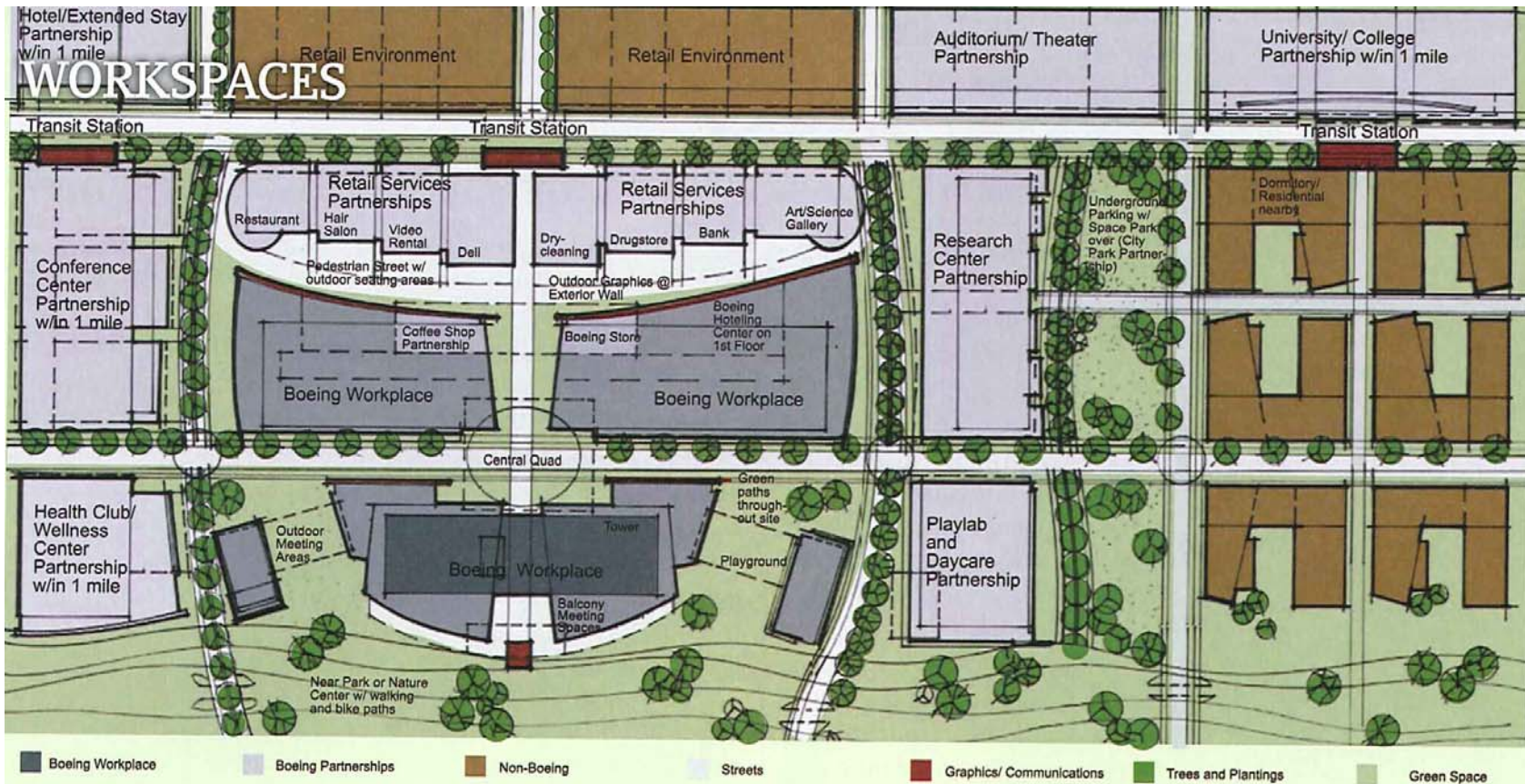
■ The Work Setting

- Focus: The 'Club'
- Who: Workplace Strategist

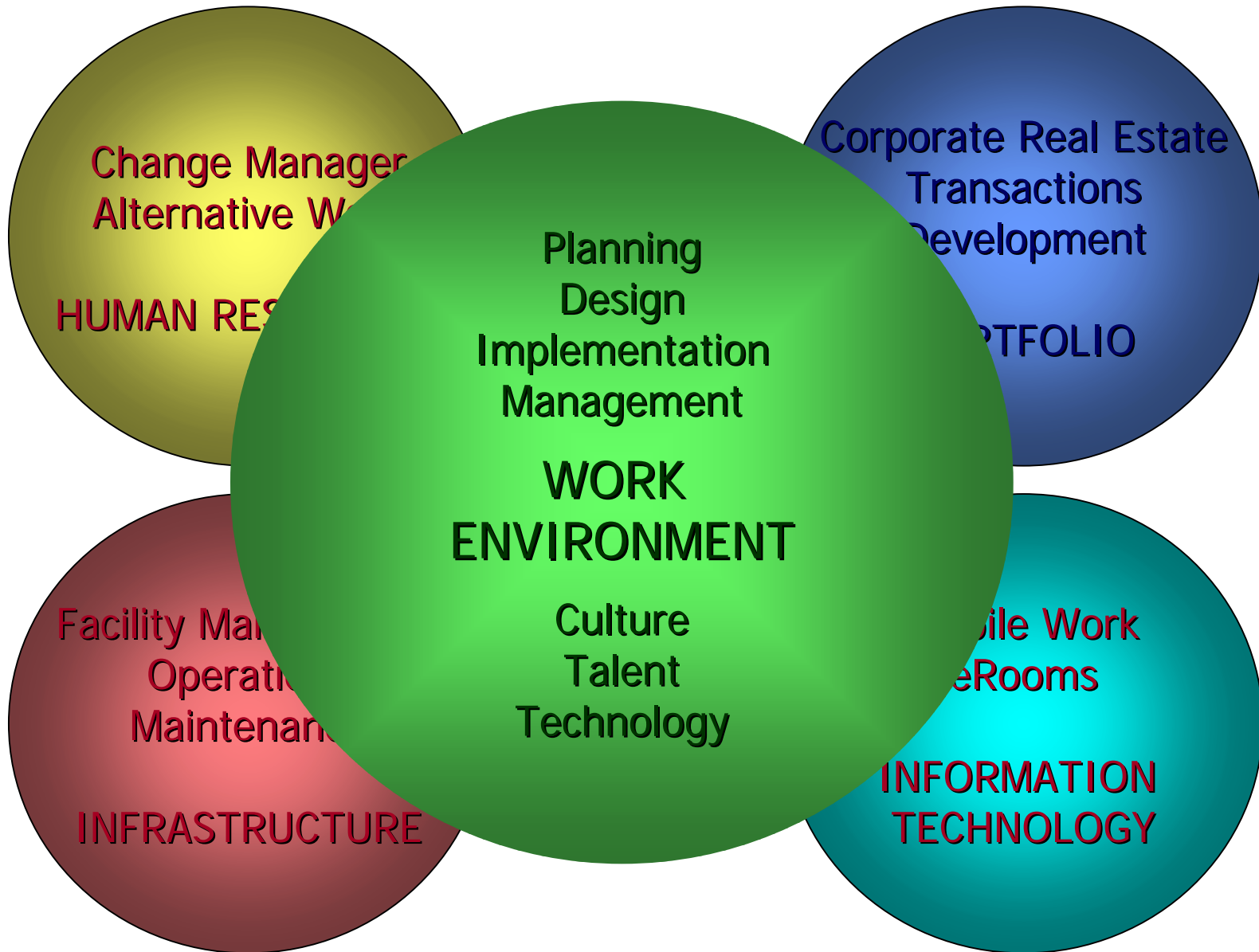


Tele-Immersion University of NC at Chapel Hill

■ Boeing, Renton, WA



With full-scale (or universe-level) implementation of Future of Work concepts, a Boeing campus mimics a mixed-use development. Integration of company workplaces with retail, educational, multi-family, and hospitality facilities, as well as mass-transportation stations/routes, enables employees to balance work and personal errands.



- The workforce is changing, technology is changing the way in which work gets done, CRE / FM needs to support new ways of working
- Businesses must stay on the leading edge in order to thrive, managing CRE / FM as a strategic consultant helps support business objectives
- The state of the art CRE / FM organization will need to develop internal and external partnerships in order to provide the greatest value to the organization
- The work environment has become of strategic importance as the war for talent escalates, work life balance is expected, and the physical workspace ages out

■ Questions