

# Technology Tools:

## How Technology is Being Used Across Corporate Real Estate



CoreNet Global • Mid-Atlantic Chapter • June 13, 2012

# Introductions

## Moderator:

- Reed Stvan, *Managing Director, Fox RPM Corp.*

## Panelists:

- Jim Barlow, *Senior Manager, Real Estate Solutions, Accenture*
- Derrick Millard, *Director of Real Estate and Facilities Management, GEICO*
- Al Nielsen, *Vice President, Corporate Services, AOL Inc.*
- Paul Himes, *President and CEO, Himes Associates, Ltd.*



# IT Management and Strategic Decision-Making

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Chapter

# GEICO – Company Overview

- 3<sup>rd</sup> largest auto insurer in the United States - Achieved 11 million policies in force (Q1 2012)
- Strategically adding staff counsel offices regionally
- Headquartered in Chevy Chase, MD
- Wholly-owned subsidiary of Berkshire-Hathaway since 1996
- 12 major regional offices including the HQ with nearly 3 million SF of office space
- Over 26,000 associates (hired more than 1,500 in 2011)
- Director of Real Estate & Facilities Management since 2003

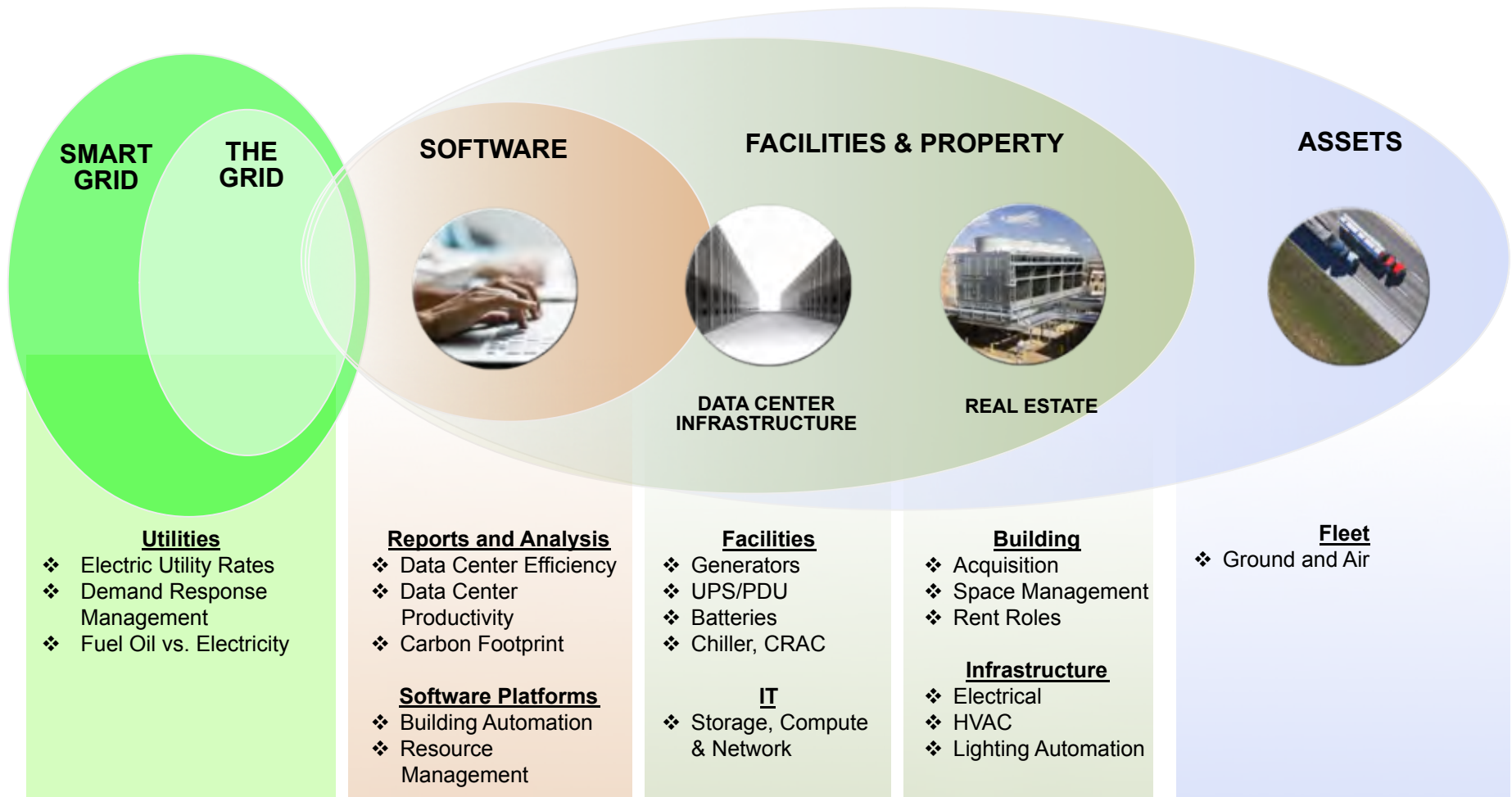
# Real Estate and Facilities Planning



IT and Facilities monitoring  
coupled with a managing  
strategy and industry bench-  
marking,

Will help to achieve objectives  
and regulatory compliance  
associated with efficiency  
projects

# GEICO's Use of Technology to Provide Useful Data To Make Strategic Decisions



# Project Management: Tools and Applications



# Project Management Collaborative Software

How/where does this fit into the overall program of Workplace Strategy tools?

- One module/component of an overall Workplace Solutions strategy
- Software dedicated solely to tracking project(s)



# PM Collaborative Software – Simplified

## Two Types:

- “Inside the Trailer”
- “Outside the Trailer”

## Two Levels:

- Robust, multi-featured integrated PM Software
- PM Software “Lite”



# Examples of PM Collaborative Software Tools

BRAND NAME	TYPE	
	Trailer Type	Level
Basecamp	Outside	Lite
Buzzsaw	Outside	Robust
eBuilder	Outside	Robust
Primavera P6	Inside	Robust
SharePoint	Inside	Depends

# Basecamp – Web-based Collaborative Software

Basecamp is a web-based collaborative project management software application used to organize and distribute project materials as well as to provide a platform for project team communication. The secure site provides a repository for the project's documents and allows project team members to:

- Get a quick overview of the project on a dashboard
- Keep all projects and project information in one place
- Track milestones and events
- Centralize team discussions
- Post and download documents
- Manage projects on their mobile phones

# Basecamp – Web-based Collaborative Software

## Post Project Files:

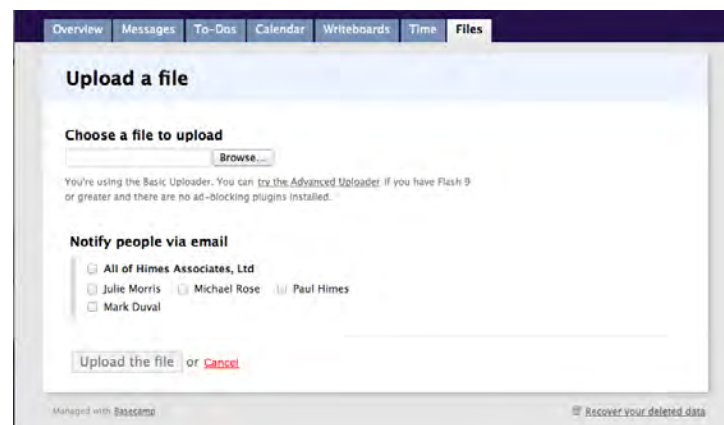
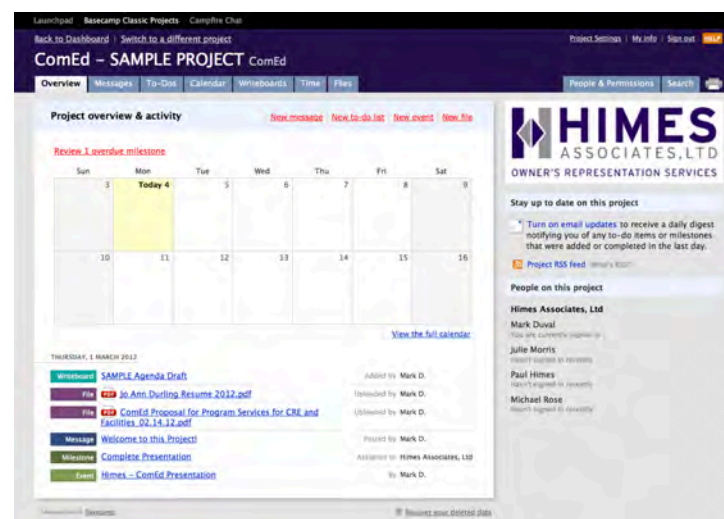
Upload and download project files from any computer

## Project Message Board:

Centralize discussions with project team members

## Project Calendar:

Track milestones and events  
Download events directly to Outlook



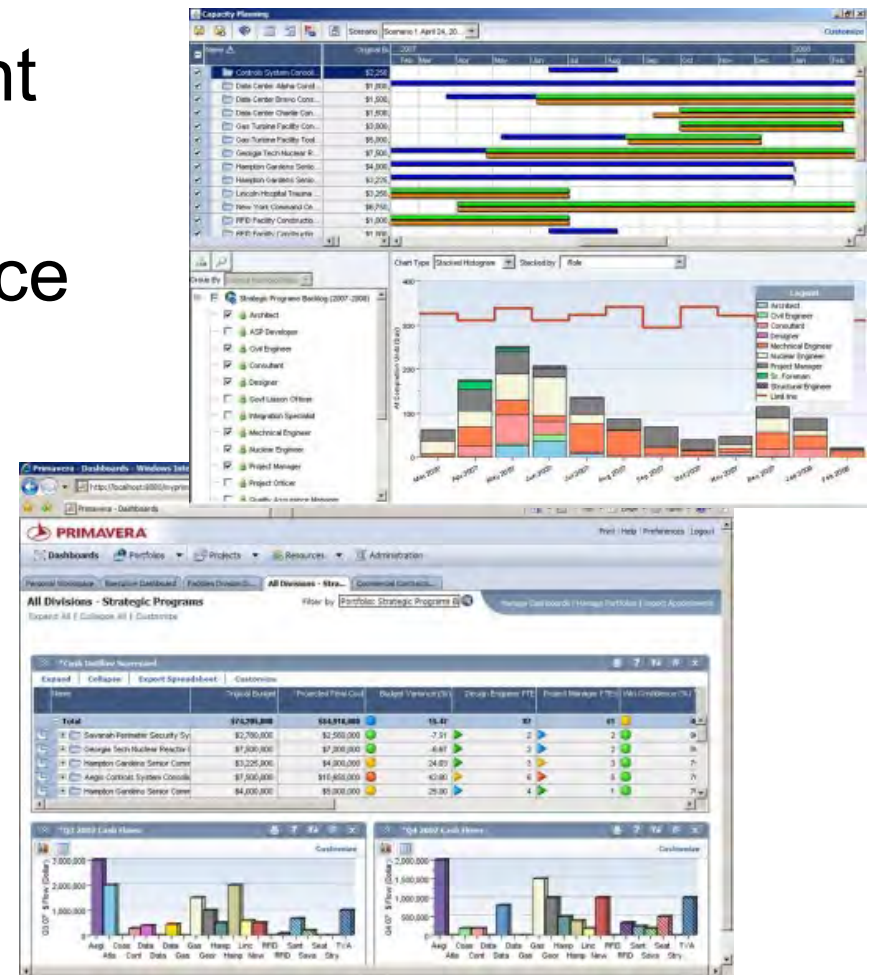
# Primavera P6 – High Performance PM Software

Primavera is a software solution that helps companies propose, prioritize and select project investments, and plan, manage and control complex projects and project portfolios. The software is ideal for large scale projects with multiple, concurrent activities. Key benefits include:

- Balance resource capacity
- Plan, schedule, and control complex projects
- Allocate best resources and track progress
- Monitor and visualize project performance versus. plan
- Conduct what-if analysis and analyze alternative project plans

# Primavera P6 – High Performance PM Software

- Identify and select the right projects
- Assess project performance
- Easily view project data
- Control job costs
- Improve decision-making
- Maximize resources



# Which type is right for your organization?

## Robust, Multi-featured Integrated PM Software

PROS	CONS
Multi featured, multi faceted	High initial implementation cost
“Does it all”	High ongoing cost
Tightly integrated with its partner software	Likely complex to use
May or may not recoup cost in project savings	Requires training
	May require dedicated resource
	May require customization
	May require good PM skills

# Which type is right for your organization?

## PM Software “Lite”

PROS	CONS
Easy to use “out of the box”	Limited functionality
Low initial implementation cost	May not always do what you need
Low on going cost	Possible limited # of users
Easily set and deployed in initially as well as new projects	
Almost always recoups cost in project savings	



# Which type is right for your organization?

Here is a fairly exhaustive comparison:

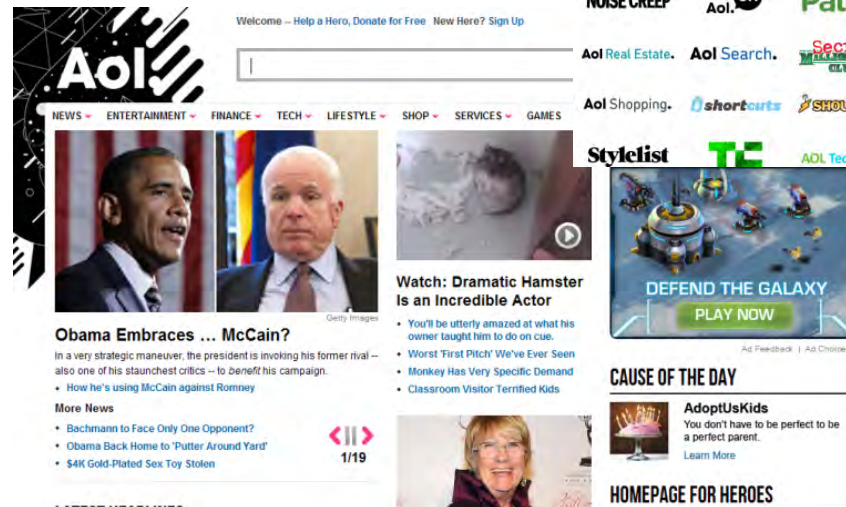
[http://en.wikipedia.org/wiki/Comparison\\_of\\_project-management\\_software](http://en.wikipedia.org/wiki/Comparison_of_project-management_software)

# Lease Administration System Implementation

The screenshot displays a complex software interface for lease administration. On the left, a sidebar lists various property locations such as 'Albuquerque - 4301 Jefferson St. NW' and 'Atlanta - 1100 Peachtree St SE'. The main area features a map of the United States with a search bar and navigation controls. Below the map is a large data table with columns for property details, including location, lease type, and financial metrics. On the right side, there are several summary charts and tables, including 'Avg Monthly Base Rent by RSF' and 'Aggregate Base Rent'. A large, stylized blue AOL logo is overlaid on the bottom right corner of the screenshot.

# AOL Inc – Company Overview

- Recently celebrated 27th anniversary
- Spun out of Time Warner – Dec, 2009
- Avg. 183M unique visitors per month
- 56 destination websites
- Huffington Post growth
- 850 Patch towns
- Subscription Revenue vs. Advertising Revenue



# Corporate Real Estate Stats

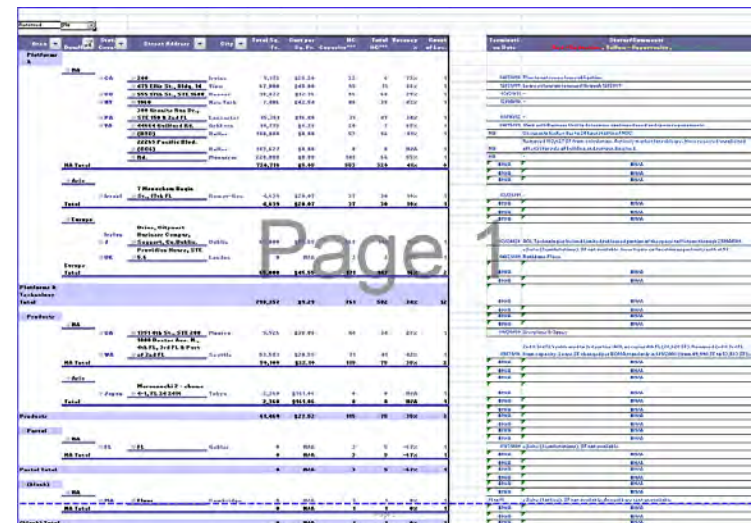
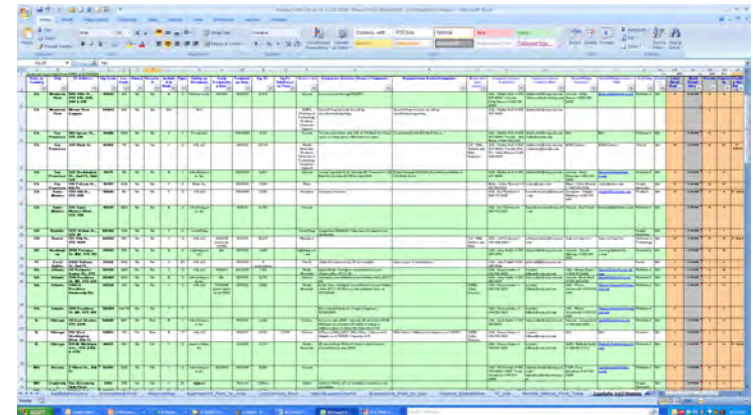
Year	Revenue	Annual Rent Obligation	Global Workforce	Portfolio	# of Sites	Vacancy	Lease Activity Managed by CRE
2011	\$2.2B	\$50M	5.7K 25% work from home / alternate location	2.3M SF	81	19%	100%

# CRE – Program History

- Initially a very manual process to track and monitor; worksheets and files stored on network drive
- Decentralized process for non-US sites
- Implemented a no-frills web-based application with little customization
- Central repository of financial data for Time Warner and division reporting

# Decision Time

- Increased expenses over time with little product enhancement
- Cost prohibitive to add users or customization
- Growing business need to produce more complex reporting
- Business partners requesting real estate information on routine basis
- Investigated 3 viable options with various price points and functionality
- Selected system Nov-2011



# Today and Beyond

- In late 2011, started the implementation of new, web-based application; Q1 completed much of the heavy lifting (key data and abstract)
- Functionality and capability of product aligns with changing business; incorporate non CRE data, centralization of libraries. Ability to expand for project planning
- Q2 introduced product to partners outside of CRE for use and business tracking
- Engage API / business connect of Lease data to other internal systems



**Aggregate Base Rent**

Type of Space	# Records	Avg Capacity	Avg Utilization	# Records	Avg Capacity	Avg Utilization
Raw Space / Warehouse	1	100	0%	1	100	0%
Office / Tech Center	17	100	100%	17	100	100%
Equipment Only	1	100	0%	1	100	0%
Office / Call Center	1	100	0%	1	100	0%
Office	17	100	100%	17	100	100%
<b>Grand Total</b>	<b>37</b>	<b>100</b>	<b>100%</b>	<b>37</b>	<b>100</b>	<b>100%</b>



**Commitment By Calendar Year**

Year	Min Payment Line Date	Max Payment Line Date	Total Rent Payments	Recurring Non-Rent Payments	Total Recurring Payments	Non-Recurring Non-Rent Payments	Total Planned Payments	Rent Cost Per Rentable Unit
2007	06/03/2007	12/01/2007	20,564.53	0	20,564.53	0	20,564.53	0.00
2008	01/01/2008	12/01/2008	6,719,715.85	71,832.26	6,791,548.11	0	6,791,548.11	38.21
2009	01/01/2009	12/01/2009	14,607,076.23	135,578.04	14,742,654.27	0	14,742,654.27	64.88
2010	01/01/2010	12/01/2010	16,231,170.59	135,578.04	16,366,748.63	0	16,366,748.63	71.12
2011	01/01/2011	12/01/2011	16,256,646.96	33,165.60	16,289,812.56	10,000,000.00	26,289,812.56	71.24

# Knowledge is Power - Experiences

- Select the product that aligns with the CRE and company strategy
- Implement and roll-out in phases. Quick demonstrations of success will build momentum.
- Celebrate the successes, it's a long road
- Leverage tech team in the configuration process
- Keep it simple
- Where possible, fold in existing technology, data and streamline processes



# To Summarize... Simple, Fast, Efficient

## What we investigated:

- Possible solutions included: Using HRMS, IWMS internal systems; configuring the functionality will be cost prohibitive
- Modifying the existing system would not yield desired results given the level of effort
- Reviewed 5 systems

## What did we discover about the process?

- The product offerings had improved based on the last time we went to market
- There really is an option and product for any company at any CRE level
- Confirmed growing trend to integrate systems and report on department and company performance in holistic manner

# To Summarize... Simple, Fast, Efficient

## What we ended up with:

- Highly flexible in design (form and field level customization can be performed in-house, by a member of the CRE team)
- Improved reporting functionality (dynamic, interactive, adhoc)
- Ability to utilize finance components (rent roll, budget and planning, income tracking, etc); future state to incorporate / connect with Finance system
- Ability to import and export bulk data
- Automated e-mail functionality for specific actions (site/lease create, update, status change, etc) and delivery
- Integrated transaction functionality that can tie to the site or lease (light PM component to track construction, reconfiguration projects, etc)
- Personalized view for user groups
- Reduced expense with no fee for archived records or additional users

Good afternoon! Anita Meeting  
Saturday, May 27, 2006

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Support | Help | Log Out

Home | Data Browser | Portfolio | Facility | Operations | Real Estate | Contract | Setup | Administration | Query | Project Name: Company Level

**Reservation Coordinator Reports**

- My Open Reserve Tasks - My Org
- My Overdue Reservations - My Org (Due Date < Today)
- My Overdue Reserve Tasks - My Org (Due Date < Today)
- My Reservations - Organized By
- My Reservations - Requested By
- My Reservations - Requested For Reservable Space

**Food Service Orders**

**Reservable Spaces**

**Reservations by Type**

**My Profile**

- My Action Items
- My Schedule
- My Reservations
- My Calendar

**Active Location Reservation Requests**

Request ID	Status	Requested For	Request Classification	Created Date/Time	Description
REQ_1000520	Issued	Robert Savhill	Meeting Space Reservation	05/24/2006 02:41:17 PM	review follow-up
REQ_1000463	Issued	David Sr	Meeting Space Reservation	05/24/2006 02:41:17 PM	review follow-up
REQ_1000466	Issued	David Sr	Meeting Space Reservation	05/24/2006 02:41:17 PM	review follow-up
REQ_1000467	Issued	David Sr	Meeting Space Reservation	05/24/2006 02:41:17 PM	review follow-up
REQ_1000468	Issued	David Sr	Meeting Space Reservation	05/24/2006 02:41:17 PM	review follow-up

**Location Reservation Request - Microsoft Internet Explorer provided by TRIRIGA**

Location Reservation Request

General | Graphic | Notifications | Notes & Documents | System | Work Flow Instance | Print Preview | Associations | Audit Actions

(Required): General Repair request: Create Draft | Submit | Cancel

General Comment:

Request Classification:

Response Required:

Location Requested For:

Organization Requested For:

Reservation Start:

Reservation End:

Planned Duration: 0

# Leading Technology in the Enterprise Marketplace

**accenture**

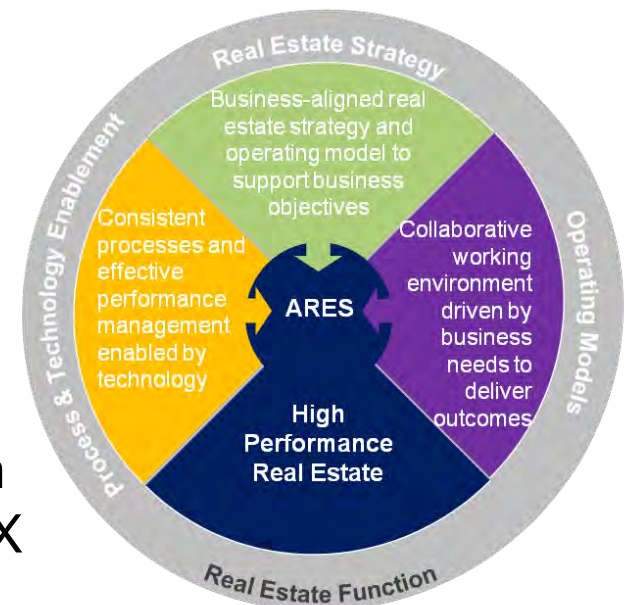
# Accenture – Company Overview

- Revenues: \$25.5B
- Headcount: 246,000
- Portfolio: 15M SF across more than 200 cities in 54 countries
- Organized into three Growth Platforms with distinctive operating models and real estate footprints



# Accenture Real Estate Solutions

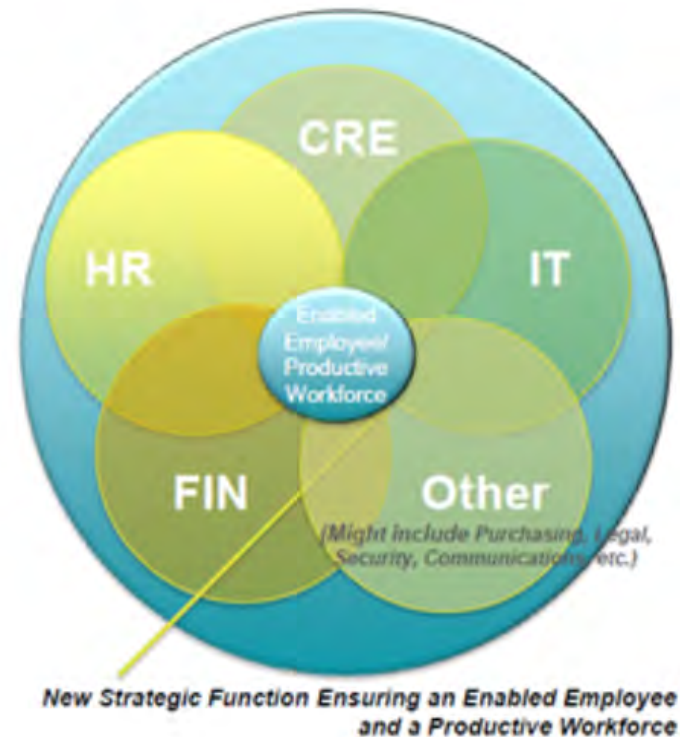
- End-to-end consultancy – portfolio strategy, organizational design, lean processes and the technology to enable them
- Blend business and technical expertise to provide unbiased advisory services and functional design
- Deep relevant experience in with certifications in TRIRIGA, Archibus, Manhattan, and SAP RE/FX
  - Accenture is IBM's largest services partner globally
  - Manhattan Software's preferred systems integrator
- Un-paralleled global delivery network
- Robust technology development grounded in Accenture's Delivery Methodology (ADM) and CMMI Level 4



# Formation of the Super Nucleus

## Integration to the Corporate Information Stack

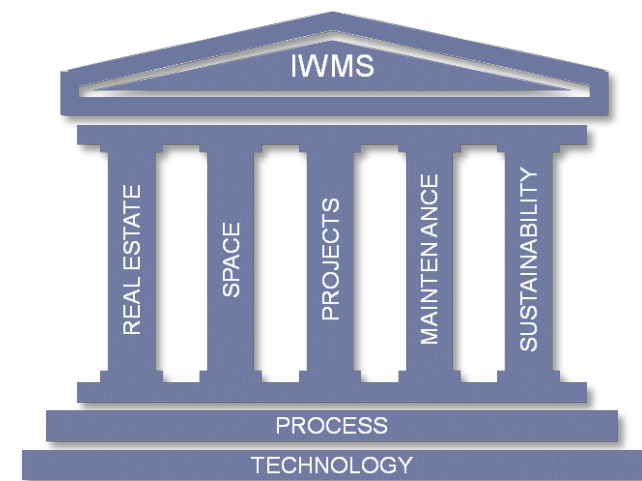
- Last month's CoreNet 2020 study cites the need for a super nucleus in order to manage CRE strategically
- We manage with information and our systems must scale to the enterprise as well



# IWMS as an Enabler of Transformation

Integrated Workplace Management Systems (IWMS) include rich CRE-specific features from five functional areas:

- Real Estate
- Space Management
- Project Management
- Operations and Maintenance
- Environmental Sustainability



The application platform provides business process modeling and integration tools that enable cohesive real estate business architecture

# Cost Reduction Benefits

- Can range from 5% to 25% when done as part of a business transformation
- Saving dependent on degree of step-level improvements or larger, transformational change



Footprint  
Optimization  
**5% - 20%**  
**cost reduction**



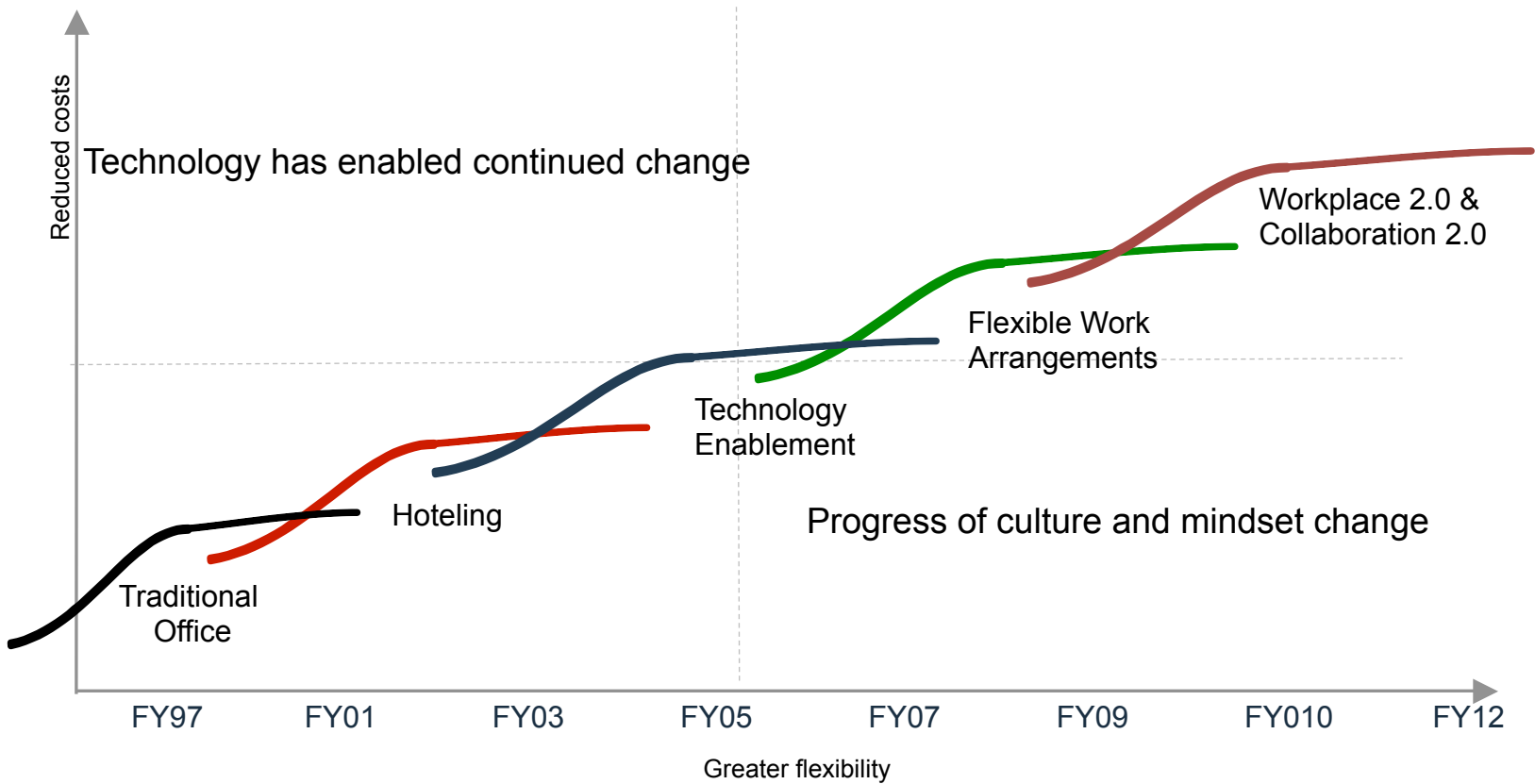
Real Estate  
Operating Models Design  
**10% - 20%**  
**cost reduction**



Technology  
Enablement  
**2% - 5%**  
**cost reduction**



# Accenture as a Case Study for Technology Enablement



*adapting to new technology*

*optimizing for business results*

*sustaining organizational fitness*

*global map in a networked economy*

# IWMS Phase-in for the Global Delivery Network

## Deployed to the following countries:

- India BPO
- Argentina
- Philippines
- Spain
- US GDN locations
- Brazil
- Romania
- Poland
- Czech Republic
- Slovakia

## Planned Expansion:

- Canada (in progress)
- Italy
- China

## Metrics:

Buildings:	77
Floorplates:	468
Square Footage:	11.3M
Production Seats:	126,000



# Delivering Results Through IWMS



- Global Delivery Network expanding quickly - seats will double (65k FY09 > 129k FY13)
- Seats are under-utilized - many allocated / sold seats regularly sit empty
- Manual, ad-hoc tools; Excel spreadsheets and PowerPoint floor maps; disparate with no data integration
- No ability to see across business units and countries
- 80% of all of our leases renewing in the next 5 years

- Lowering demand by 6800 seats while absorbing 15% annual growth
- Consistent and efficient space allocation process globally
- Improvements in forecasting, what-if scenarios, floor restack planning, and space allocation for large blocks/projects
- Accurate seat charging; accurate electronic square footage allocations/calculations
- Reduce leased space at renewal
- One global tool - visibility to the status of all seats across shifts, in one repository



# Technology Tools

## Question and Answer Session

# Presenter Contact Information



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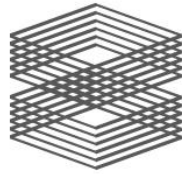
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