

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

GEICO[®]
geico.com


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Chapter

GEICO – Company Overview

- 3rd 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

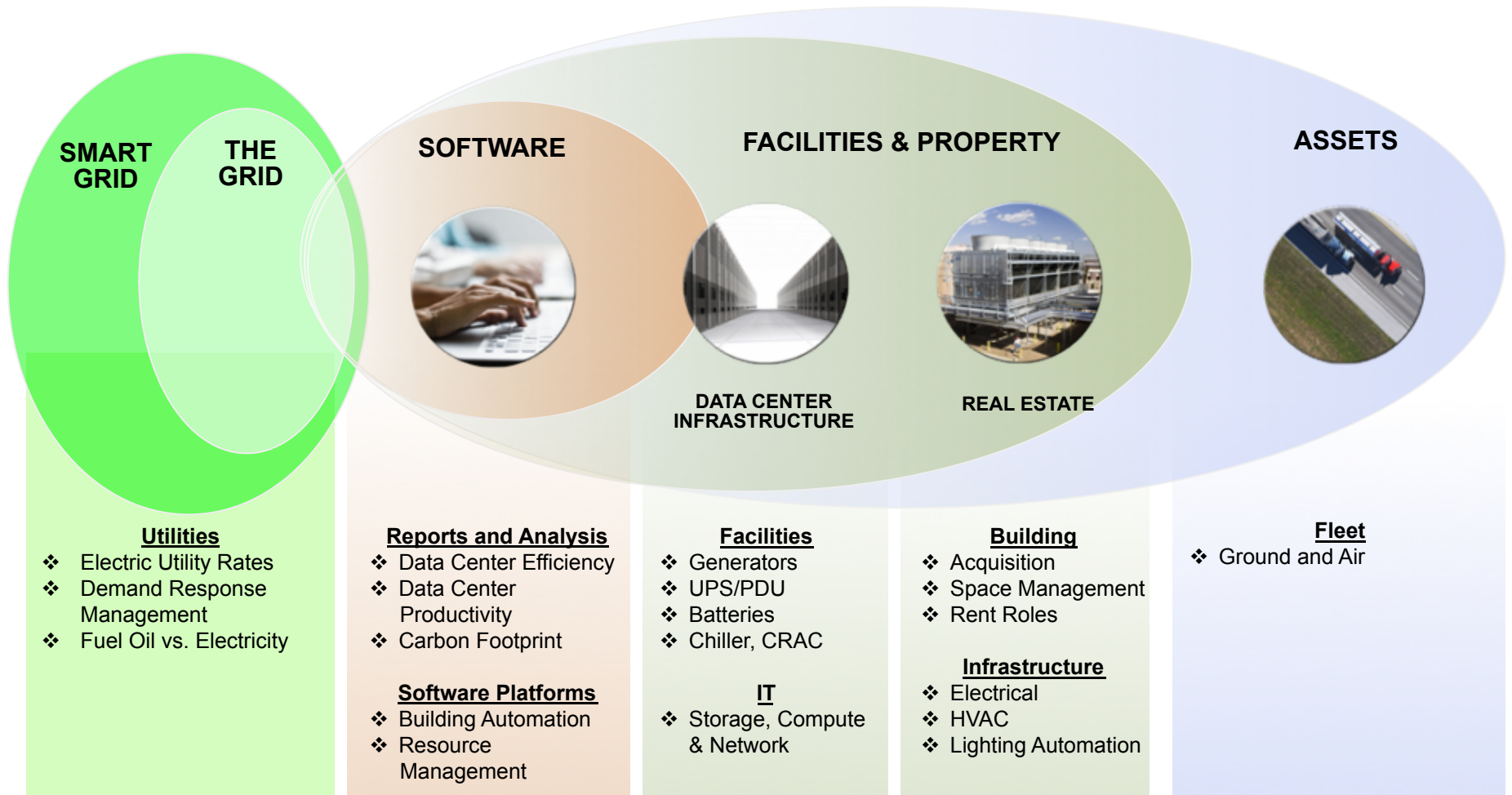
Real Estate and Facilities Planning



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

The screenshot shows the Basecamp interface for a project named 'ComEd - SAMPLE PROJECT'. The top navigation bar includes 'Overview', 'Messages', 'To-Dos', 'Calendar', 'Writeboards', 'Time', and 'Files'. The main content area is titled 'Project overview & activity' and features a calendar grid with 'Today' highlighted on Monday, March 4th. Below the calendar is a list of recent activity, including a writeboard titled 'SAMPLE Agenda Draft', files like 'Jo Ann Durling Resume 2012.pdf' and 'ComEd Proposal for Program Services for CRE and Facilities_02.14.12.pdf', and messages such as 'Welcome to this Project!' and 'Complete Presentation'. On the right side, there is a sidebar for 'HIMES ASSOCIATES, LTD' with options to 'Stay up to date on this project' and a list of 'People on this project' including Mark Duval, Julie Morris, Paul Himes, and Michael Rose.

The screenshot shows the 'Upload a file' dialog box in Basecamp. It has a title bar 'Upload a file' and a section 'Choose a file to upload' with a 'Browse...' button. Below this, there is a note: 'You're using the Basic Uploader. You can try the Advanced Uploader if you have Flash 9 or greater and there are no ad-blocking plugins installed.' The 'Notify people via email' section has a dropdown menu set to 'All of Himes Associates, Ltd' and checkboxes for Julie Morris, Michael Rose, Paul Himes, and Mark Duval. At the bottom, there are 'Upload the file' and 'Cancel' buttons.

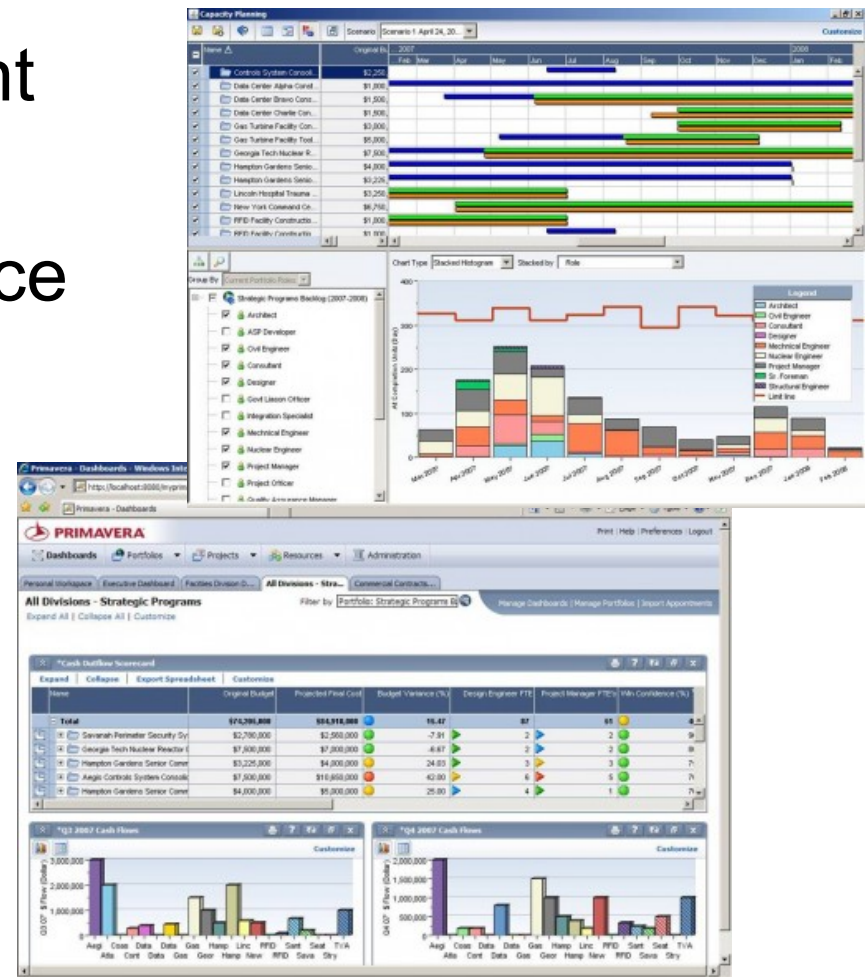
Primavera P6 – High Performance PM Software

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



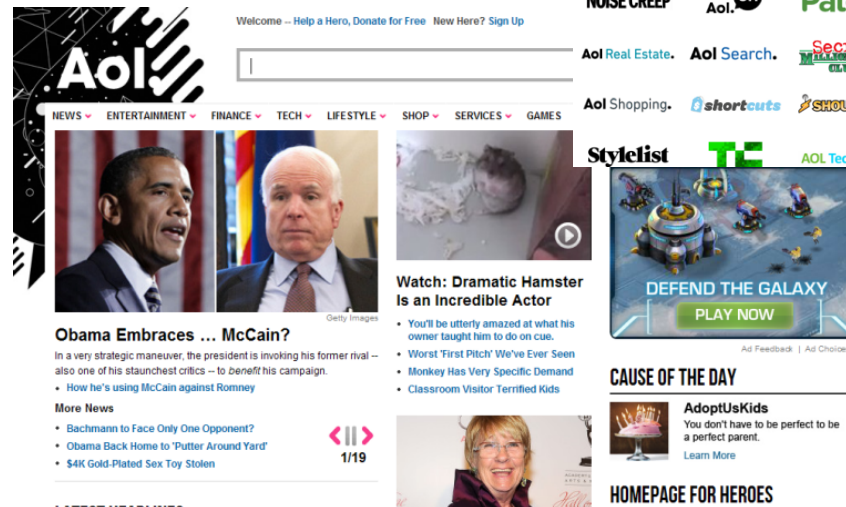
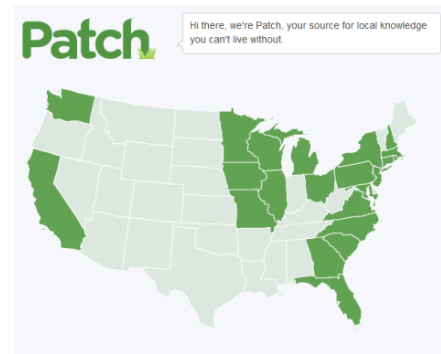
Lease Administration System Implementation

The screenshot displays a comprehensive lease management system. On the left, a sidebar lists various lease entries with columns for 'Name' and 'Number'. The main area features a map of the United States and a large data table with columns for lease details. On the right, there are several charts and summary tables, including 'Avg Monthly Base Rent by RSF' and 'Aggregate Base Rent'.



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

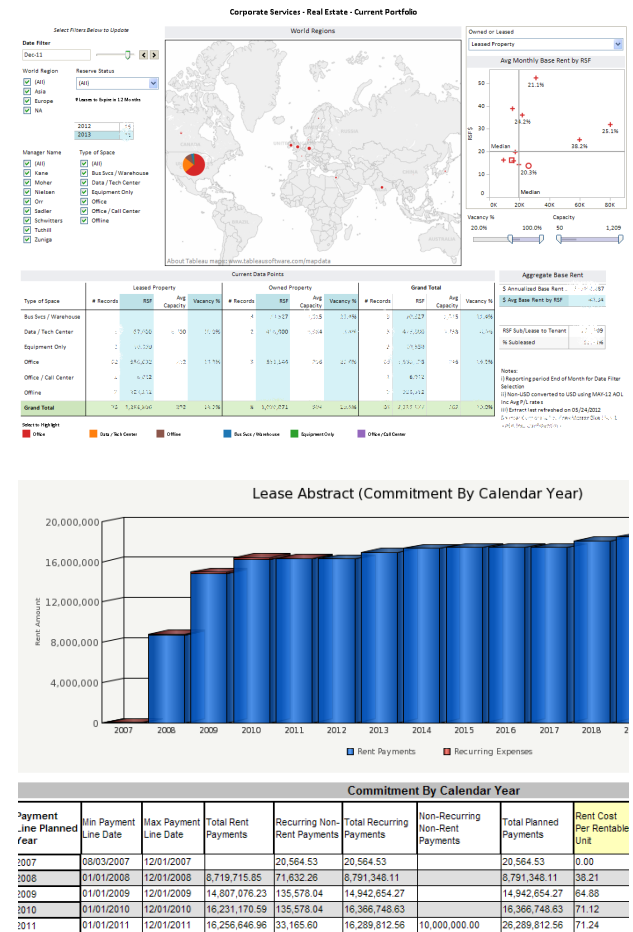
A screenshot of a Microsoft Excel spreadsheet. The spreadsheet contains numerous columns and rows of data, with some cells highlighted in green and others in orange. The interface includes standard Excel menus and toolbars.

A screenshot of a detailed financial report or invoice. The report is organized into sections with sub-headers like 'Platform 6' and 'Platform 6 Hardware'. It lists various items with columns for 'Qty', 'Unit Price', 'Total Price', and 'Tax'. A large 'Page 1' watermark is overlaid on the right side of the page.

Item	Qty	Unit Price	Total Price	Tax
Platform 6				
- MA				
- 008	1	1,100	1,100.00	0
- 478 E10, 30, 816, 14	1	1,100	1,100.00	0
- 391 170, 30, 276, 14	1	1,100	1,100.00	0
- 007	1	1,100	1,100.00	0
- 006	1	1,100	1,100.00	0
- 005	1	1,100	1,100.00	0
- 004	1	1,100	1,100.00	0
- 003	1	1,100	1,100.00	0
- 002	1	1,100	1,100.00	0
- 001	1	1,100	1,100.00	0
- MA Total			6,600	0
- Total			6,600	0
Platform 6 Hardware				
- MA				
- 008	1	1,100	1,100.00	0
- 007	1	1,100	1,100.00	0
- 006	1	1,100	1,100.00	0
- 005	1	1,100	1,100.00	0
- 004	1	1,100	1,100.00	0
- 003	1	1,100	1,100.00	0
- 002	1	1,100	1,100.00	0
- 001	1	1,100	1,100.00	0
- MA Total			6,600	0
- Total			6,600	0

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



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

TRIRIGA®

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 For
- My Reservations - Requested For Reservable Space

Food Service Orders



Reservable Spaces



Reservations by Type



Quick Links: 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 Sashill	Meeting Space Reservation	05/24/2006 07:41:17 PM	new follow-up
REQ_1001463	Issued	David Sr	Meeting Space Reservation	05/24/2006 07:41:17 PM	new follow-up
REQ_1001468	Issued	David Sr	Meeting Space Reservation	05/24/2006 07:41:17 PM	new follow-up
REQ_1001469	Issued	David Sr	Meeting Space Reservation	05/24/2006 07:41:17 PM	new follow-up
REQ_1001470	Issued	David Sr	Meeting Space Reservation	05/24/2006 07:41:17 PM	new 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: [Locations]Las Vegas Campus[Las Vegas - Building Two]Floor 01\117

Organization Requested For: [Organizations]FOCUS\Finance and Administration\Infrastructure Support\Real

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

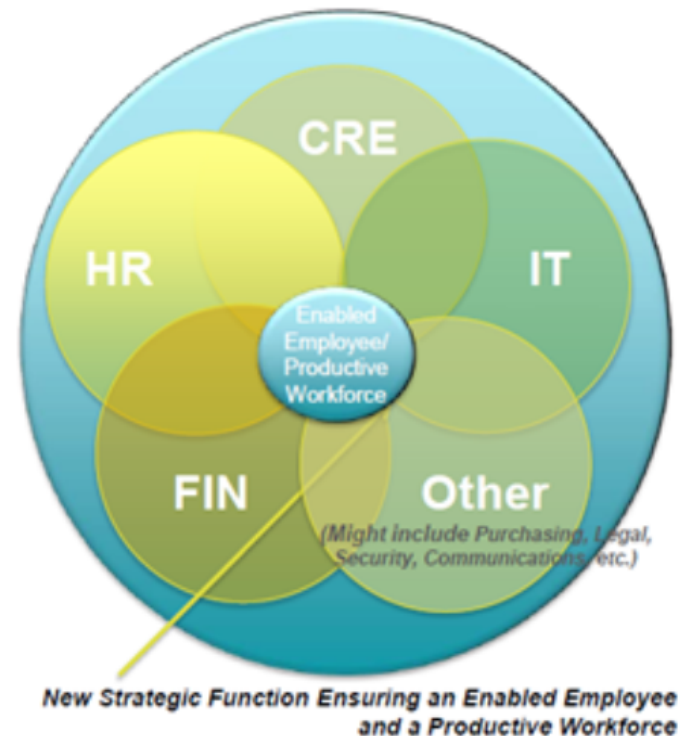
- End-to-end consultancy – portfolio strategy, organizational design, lean processes and the technology to enable them
- Blend business and technical expertise to provide unbiased advisory services and functional design
- Deep relevant experience in with certifications in TRIRIGA, Archibus, Manhattan, 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

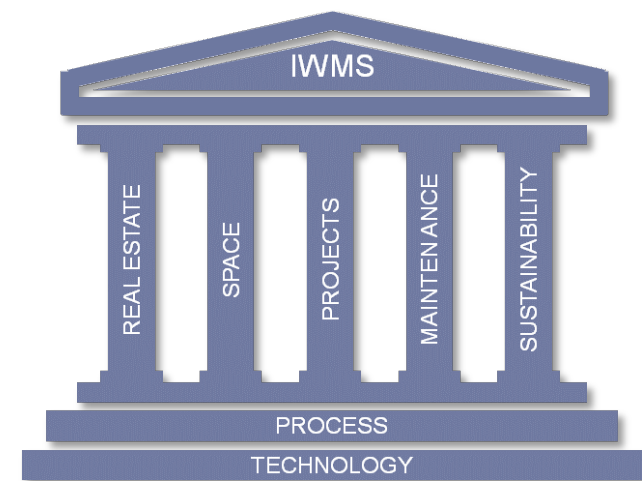
- Last month's CoreNet 2020 study cites the need for a super nucleus in order to manage CRE strategically
- We manage with information and our systems must scale to the enterprise as well



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

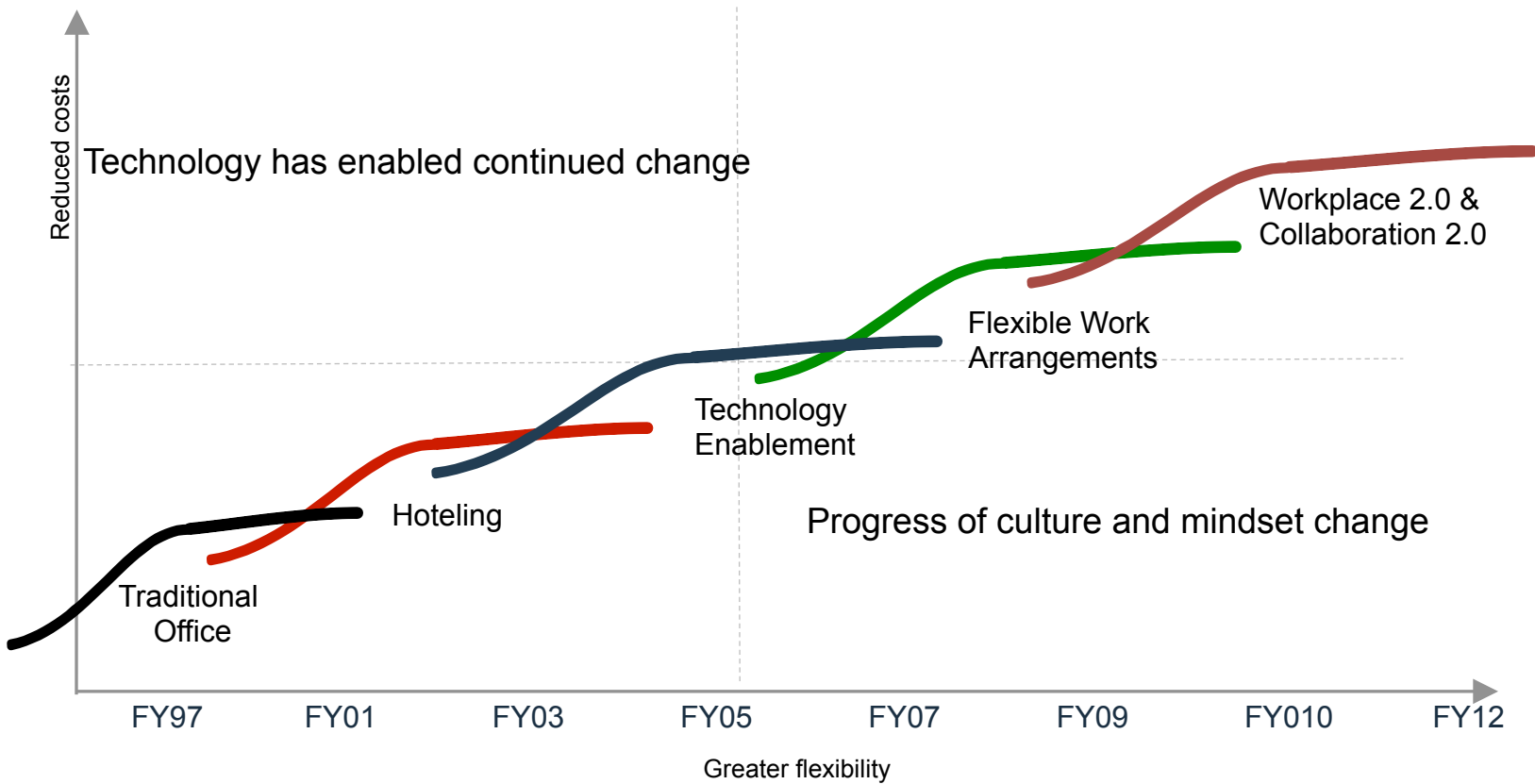


Real Estate
Operating Models Design
10% - 20%
cost reduction



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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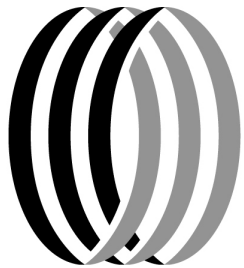
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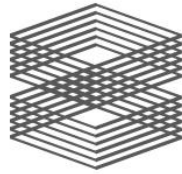
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