



Global Integration of Value Propositions

IT and Corporate Real Estate Partnering in a Real-time World

by Nancy Johnson Sanquist, Manhattan Software

Recently, I was preparing a presentation on a global implementation of an Intelligent Workplace Management Solution¹ (IWMS) for a group of European corporate real estate (CRE) executives who work in a large financial institution. What struck me, as I reviewed the list of questions which they wanted me to address, was the close partnership which had occurred between the CRE staff and the Information Technology (IT) organization in that company.

The CRE group had presented to the IT department their frustration with existing practices and their need for a technology solution which would automate all of their core real estate and facility management operations around the world. This was a complex problem as the system would have to be able to accommodate different practices, processes, languages, currencies, legal frameworks, contracts, local regulatory and industry standards, build-out and furniture specifications, project structures and team member responsibilities. At the same time, they would also have to be able to report on local and regional operations, in addition to being able to create a global rollup.

The implementation of such an all encompassing enterprise solution, which would also have to be interfaced to other corporate systems, required a tight collaboration between the CIO and the CRE team. This had obviously occurred within this organization, but this was not always the case in many other companies I have worked with over the years. Computerworld has woken up to the value of this new C-level partnership. In a recent article,² they alert IT leaders to wake up to the changes in office space and call center design due to the rampant use of mobile computing and begin partnering with CRE.

¹ Gartner refers to this technology solution as Integrated Workplace Management Systems (IWMS).

² Pratt, Mary K. "Office Space Reconsidered: New Style, New Digs," Computerworld (July 31, 2006).

Gone are the days of the 'rabbit warren' call center. Workers can now be given a laptop by security on entry and then choose where they want to sit and work that day in a garden like setting. "To the rescue come integrated workplace management systems, which have become more sophisticated in recent years, allowing facilities managers to more easily analyze needs and reconfigure space." Mike Bell of Gartner describes IWMS as "shining a light" for CREs and CIOs who can not only plan, design and manage these new workspaces better, but reveal as much as 40% savings in operating costs³.

I began to think of what is required for CREs and CIOs to become more collaborative. I believe that what is needed is an understanding of how both of their value propositions are overlapping and can be integrated to support the strategy of the business in this real-time world.

These matching value propositions include:

Enhancing revenue growth. Once considered as only cost centers, the more progressive CIOs are embracing new technologies which help to create new products and/or services to increase revenue generation. The same is true of CREs who are leveraging the knowledge obtained from their IWMS applications to identify and eliminate underutilized space and create revenue opportunities through analysis of integrated market and demographic data for enhanced location strategies.

Increasing customer satisfaction and productivity. It is an interesting fact that IT allocates less than 20-25% of its budget for "new work" or implementing new technologies as opposed to operations and maintenance⁴. However, with ITs ongoing efforts to support the internal customers, as well as external customers, they should partner with CRE to introduce new software like IWMS which can enable these employees to not lose time worrying about problems with the infrastructure of the business and instead, concentrate on innovation.

Improving operations and reducing cost. It is everyone's job in an organization to determine ways to reduce cost, but when IT and CRE align their skill sets, new ways of work can be introduced that can reduce the costly provision of space. HR is usually not driving these changes in work practices, as what is needed is the integration of more mobile technology. In a recent research project, Manhattan commissioned a study on the cost effectiveness of telework in twenty companies. Savings of over a billion dollars have now been documented.⁵

³ Bell, Michael. "Bolster Your Return on Investment With Integrated Workplace Management Systems," Gartner Research Document (2005).

⁴ Orlov, Laurie M. "Make IT Matter for Business Innovation," Forrester Research on Best Practices (November 3, 2005).

⁵ "Cost Savings Case Studies Utilizing Improved CRE Business Processes," Manhattan Software Research Report (August 2006). Contact www.manhattansoftware.com for a copy of this latest study.

Enabling collaboration. Both IT and CRE are being asked to plan and execute changes in the infrastructure to encourage disparate groups to collaborate whether they are working on the same floor or across the globe. By collaborating themselves, web-based portals can be integrated with IWMS to enable groups looking for project rooms for collaborative activities can view what is available anywhere and anytime.

I believe I have just scratched the surface on defining how CRE and IT value propositions intertwine. I invite thoughts and comments from both groups to continue this critical dialogue.

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