



Case Study

Financial Services

International MBA
Real Estate &
Facility Management



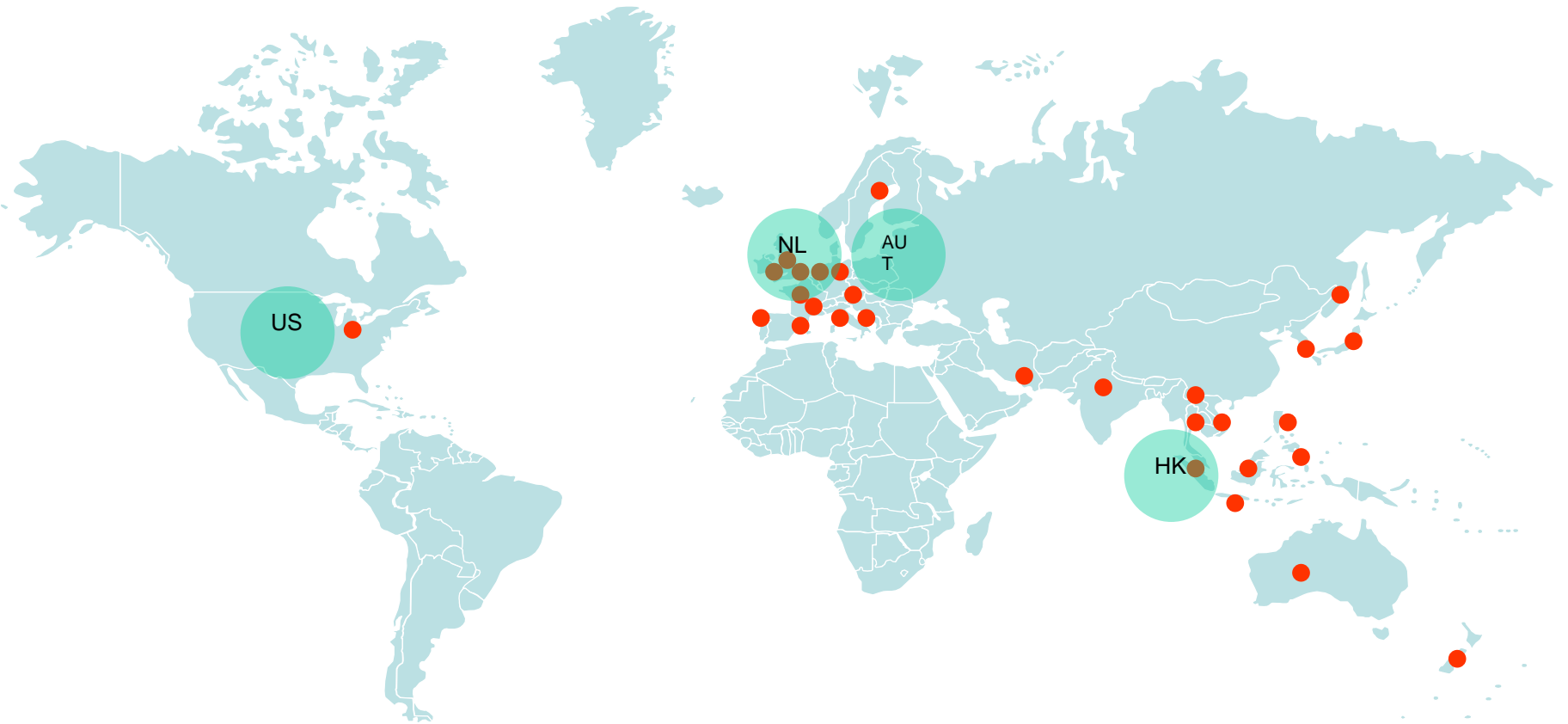
- Imagine you are the newly appointed head of Global FM and RE. Your member of the Managing Board, responsible for Services and Operations asked you to do a research on if and how global synergies can be created in the field of FM Services, Real Estate and Global Sourcing and propose an implementation plan.
- Prepare a presentation before the end of the year for the International Central Operations Council to inform them, to get their buy-in and approvals for the next steps. Assuming a positive reaction from this Committee, a summary must be presented to the Managing Board for a final go no go decision.





- The survey and analysis that you and your team will conduct is meant as a preparation for the MB. All data that is available about the GBB Financial Services is provided in this case material. It is not allowed to try to make contact with one of the subsidiaries.
- However it is highly recommended to use all available data in open sources about countries, rules and regulations, markets, cultural differences etc.
- Before the start of the case there will be one opportunity for your team in an 1 to 2 hours session to ask the case-coach additional information.





GBB
Financial Services

- = key country
- = GBBcountry



GBB

Financial Services



GBB

Global Business Broker

GBB database



GBB Category Definitions (Spend Map)

| 1. Facilities | 2. HR Services | 3. Information Services | 4. Information Technology | 5. Marketing | 6. Professional Services | 7. Travel |
|---|--|-----------------------------------|--|---|-------------------------------------|-------------------------------------|
| Archiving | Business Contractors | Non Real Time - Credit Agencies | AS400 hardware | Advertising - direct mail services | Audit services | Air travel |
| Buildings - interior finishing | Car Services (incl. Leasing, buying, per | Non Real Time - Research/Analysis | ATM equipment | Advertising - full service | Business & corp. mgt consulting | Car hire |
| Buildings - maintenance services | Childcare | Non Real Time - Others | ATM maintenance | Advertising - press | Copywriting | Corporate credit card |
| Buildings (& grounds) construction | Employee insurances (health, disability | Real Time - Bloomberg | ATM software | Advertising - radio | Debt collection services | Foreign exchange |
| Catering | Healthcare | Real Time - Exchanges | Cash management | Advertising - TV | Financial accounting (including tax | Ground transportation (ie chauffeur |
| Cleaning | Outplacement services | Real Time - Moneyline Telerate | Fax | Advertising - web | Financial Consulting | Hotel accommodation |
| Copiers | Payroll | Real Time - Reuters | Intel/AMD laptops | Creative / design (print) | IT Consulting & Systems Integratio | T&E expenses |
| Equipment & services - electrical | Pension schemes | Real Time - Thomson | Intel/AMD PC's | Creative / design (web) | | Travel agency |
| Equipment & services - electronic | Recruitment services | Subscriptions - publications | Intel/AMD servers | Donations / charity | IT contracting | |
| Equipment & services - mechanical | Relocation + expat services (incl. rents | Transaction Costs | Mainframe hardware | Exhibitions & fairs | IT software consulting support | |
| Facilities management services | Temporary personnel services | | Maintenance - mainframe/AS400 | Fulfillment | Legal services | |
| Flora | Training & education | | Maintenance & support - hardware | Gifts / premiums / prizes / promotional | Notary services | |
| Furniture | | | Office automation | Hospitality | Writtten translation services | |
| Insurance (building, contents & FM related) | | | PDA's | List services / management | | |
| Mail services | | | Printer consumables | Market research | | |
| Office equipment | | | Printers non-mainframe | Marketing print - brochures / leaflets | | |
| Office supplies | | | Printing - mainframe | Marketing print - forms | | |
| Printed matter & paper (FM related) | | | Scanners | Marketing print - mailings | | |
| Professional real estate & engineering services | | | Screens | Marketing print - POS | | |
| Property purchase / lease / rental (inc. rates & service charges) | | | Security/ custody | Media buying | | |
| Security & safety | | | Software (incl. maint & suport) - CRM | Photographic / video services | | |
| Transportation - cargo | | | Software (incl. maint & suport) - database | Public Relations | | |
| Transportation - value | | | Software (incl. maint & suport) - development tools | Sponsorship | | |
| | | | Software (incl. maint & suport) - E-commerce | Telemarketing | | |
| | | | Software (incl. maint & suport) - enterprise system management | | | |
| | | | Software (incl. maint & suport) - ERP | | | |
| | | | Software (incl. maint & suport) - helpdesk | | | |
| | | | Software (incl. maint & suport) - mainframe/AS400 | | | |
| | | | Software (incl. maint & suport) - messaging | | | |
| | | | Software (incl. maint & suport) - operating system | | | |
| | | | Software (incl. maint & suport) - project management | | | |
| | | | Software (incl. maint & suport) - risk management tools | | | |
| | | | Software (incl. maint & suport) - security | | | |
| | | | Software (incl. maint & suport) - terminal emulation | | | |
| | | | Software (incl. maint & suport) - voice response | | | |
| | | | Software (incl. maint & suport) - workflow | | | |
| | | | Sorters | | | |
| | | | Speciality application development | | | |
| | | | Storage - DASD | | | |
| | | | Storage - tape | | | |
| | | | UNIX hardware | | | |





Details background of some of the Operations key stakeholders

The Managing Board has decided that there is a severe need to enhance the cost reduction and control culture. One of the vehicles they will launch shortly is a renewed representative body of Chief Operating Officers around the globe. They will have a stronger advisory role and on specific topics will act as the decision taking body for the MB. Target are all relevant services/operations/support functions. Management have been asked to suggest how the MB can organize(people, task, structure) this best.

You have been asked, by the current Operations body to include a suggestion in your upcoming presentation.





Francois Casgon



- Nationality: French
- Age: 58, married 2 kids, 1 grandson
- Background: As son of a diplomat have been around the world in all former French colonies a Private Banker “pur sang”
- Hobby: Sailing, mountain bike, collecting paintings

Cesar Graphelli



- Nationality: Italian
- Age: 42, married no kids
- Background: University of Florence degree in Law. Worked in Italian Industry environment and for multinational in Brazil. With the company since 2003
- Hobby: Motor racing, sailing, singing





Peter Fulong - China



- Nationality: Chinese
- Age: 36, single
- Background: Harvard MBA, appointed in 2007. Son of a diplomat. Last job with HSBC in Hong Kong
- Hobby: Climbing, Karate,

Karin Sun - UK



- Nationality: Australian
- Age: 49, married 3 kids, 1 granddaughter
- Background: Psychology, with GBB since 1982 in various support function all around the globe
- Hobby: Painting, horse riding, golf





Claudia Oliviera – Brasil



- Nationality: Portuguese
- Age: 42, married 1 daughter
- Background: Have been working for several companies in production and services mainly in Latin America
- Hobby: Photography, Arts, Fencing

Paul Egerton - Hong Kong

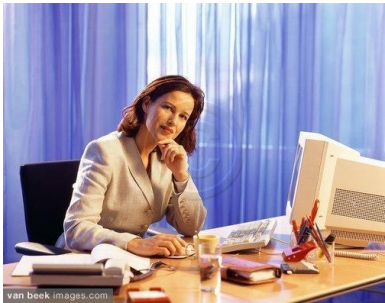


- Nationality: British
- Age: 61, married, 5 kids, 4 grandchildren
- Background: Have been working with GBB since high school, have been sent are the world to build new subsidiaries. Loves Asia
- Hobby: Bowling, Reading, History





Elaine Raise – US



- Nationality: Canadian
- Age: 38, single
- Background: Accountancy, worked for several American Assurance companies. With GBB since 2006
- Hobby: East Europe, Back pack travelling

Jan Vlierhoven- The Netherlands



- Nationality: Dutch
- Age: 51, married 4 kids
- Background: University of Leiden, Dutch Law, Harvard MBA. Worked for several American banks, Belgium and Dutch bank. With GBB since 2000
- Hobby: collecting old cars, tennis, producing own beer





Presentation for the Central Operations Council

- **Real Estate**
 - “Real Estate just a local business ? No need for global governance, policies and coordination ?
 - First exchange of numbers, views and opinions
- **Facility Management Services ->**
“Benchmarking :
 - A necessity for a constant assessment of FM Services against peers?”
 - Quick review on the known initiatives within GBB and discussion on a proposal to install a GBB benchmarking platform on FM.





Real Estate a definition

“ Corporate Real Estate is often the result of various decisions of the past, rather than of planned strategy, resulting in: a high level of capital employed, high maintenance costs, surplus space, sub-optimal locations, hidden reserves and / or costs”





Total RE GBB global

- 2,531 MM Euro on Balance sheet (property for use GBB only)
- 1,513,173 m2
- 48,345 staff
- 31,3 gross m2 per fte
- 1925 Buildings
- 714 Owned
- 458 MM euro lease

(first indication not verified, excl HongKong)





- The Netherlands
 - 544225 m2, 14351 staff, 38m2 gross per fte, 443 buildings, 312 owned,
 - lease 39,4 MM euro
- United States of America
 - 364520 m2, 9435 staff, 38,6 m2 gross per fte, 410 buildings, ?
 - lease 193 MM euro
- Latin America
 - 299459 m2, 10813 staff , 27,9 m2 gross per fte , 901 buildings, 290 owned
 - lease 78 MM euro
- Wholesales Banking
 - 284959 m2, 11879 staff, 23,9 m2 gross per fte, 132 buildings, 97 owned,
 - lease 106MM euro
- Private Banking
 - 36738 m2, 2149 staff, 17,9 m2 per fte, 39 buildings, 15 owned,
 - lease 12 MM euro
- Assurance
 - ...5
 - Lease 30 MM euro

(first indication not verified)





STRATEGY

Real Estate and physical Infrastructure Strategy

- contribution to corporate strategy
- Strategy for providing optimal flexibility

RPM policy framework

PLANNING

Portfolio plan

- Acquisitions
- Locations and relocations
- Capital programme
- Disposals
- Facilities Management

Budgets

Procurement plan

Financing plan

PROCUREMENT & DELIVERY

Portfolio plan

- Acquisitions
- Locations and relocations
- Capital programme
- Disposals
- Facilities Management

Budgets

Procurement plan

Financing plan

MANAGEMENT

Organisation of the real estate, facilities and capital programme management functions (s)

- Structure, roles and responsibilities
- Key performance indicators
- Service level agreements

Management processes

RPM Systems





- Business Units / Countries decide how to finance property (on/off balance, lease, sale/lease back etc), risk assessment of outsourcing property will be done by BU's Each SBU aligns his own RE-Strategy with his Business Strategy.
- Procurement of property is like any other business item, so procurement specialists have to be involved, even though it is a local business. We don't need a Real Estate Strategy on Group level !?
- There is no need to comply to leading BU policies, if necessary shared services will be delivered against market tariffs (e.g. housing)
- In order to assess the overall real estate portfolio on group level the information structure has to be standardised, e.g. SAP, special charter of account items on Real Estate en FM, standardisation of FM software for front / back office (Aperture, Perigrine, etc)
- Decisions made in the Strategic RE decision process have a direct impact on the height of the Facility Management Services costs, early FM involvement is a must !!
- Teamwork on group level and knowledge sharing is necessary on the issues of: Reduction of space used approach, Tele working, working at home, alternative workplaces etc..
- There is still a need for governance and policies from Global Centre (group instructions to be updated!)





- Asian Countries believe that there is a global synergy opportunity in furniture including low cost sourcing and uniformity ? ?
- Digital Archives <-> office space used for Archives ?
- Travel service a BU, Country or company policy setting?
- How can we stimulate use of video / tele- conferencing ,
- How can we reduce cost of travelling?
- Outsourcing FM, RE functions ?
- Shared group employee directory, telephone directory, easy access to IT applications ? A FM topic ?
- Assessment of security function (physical, fraud prevention, safety of employees and customers)
- Business Continuity Planning,
- Global Talent development for FM, RE functions ?
- Corporate Social Responsibility , what is current status and how and in which area can FM and RE take the lead or assist?
- Is there a policy on use of RE & FM Consultants ?
- Global, BU, Country, Key Performance Indicators for FM , RE, which ones and how to measure ?
- Cost reduction opportunities, where can FM and RE assist, take the lead or need to have the authority to decide
- How can we improve the interaction between the support functions like IT, Procurement, FM, RE





- Explain what BREEAM is and how this is applicable in GBB Financial Services
- Explain LEED and how this is applicable in GBB Financial Services
- Explain what the key elements are of the ECSF framework, what the impact is of this framework on your advises to top management regarding RE and FM business - investments
- Implementation of CSR around the world, what are the main challenges and how can you overcome them, give advice to the board.
- Use the sustainability Matrix
- Sustainability in FM RE; what are the key topics, define plan of approach to implement them
- How relevant is an EMS (environmental management system) for the FM RE environment
- What kind of topics do you need to collect on a frequent basis (which frequency) to be able to indicate the environmental performance of the buildings in use to monitor and communicate internally- externally (MB, NGO's)

