



Facility professionals manage one of the most important and costly assets for the business. It's no secret that costs associated with facilities are one of the largest expenses on an organization's income statement and owned property is one of the largest assets on the balance sheet.

For example, there are a number of levers for value driving down maintenance costs and spending, better management of facility projects and so on. However, the key driver behind all facility costs is occupancy or in other words, the supply and demand for space.

By better aligning the available supply of space with internal customer demand, facility professionals can help the organization unlock significant value

Tech Tools for Driving Down Costs

MARTY CHOBOT

from the property portfolio. Through better collaboration with corporate real estate, executive management and internal customers, facility managers can help shape a plan that ensures the company has a real estate footprint that supports productive operations without carrying excess space and real estate.

The following is an examination of how CA, formerly Computer Associates, used detailed occupancy information to reduce its real estate footprint and occupancy costs.

Tackling real estate cost savings: CA case study

Founded in 1976, CA is a global company with headquarters in Islandia, N.Y., serving customers in more than 140 countries. The company serves the majority of Fortune 1000® companies, as well as government entities, educational institutions and thousands of other companies in diverse industries worldwide. CA manages approximately 6.7 million square feet of owned and leased space; the 182 sites house more than 14,500 employees and contractors worldwide.

A plan for change

In 2005, CA's global facilities team launched an ambitious strategic plan to help the business reduce operating expenses and support an increasingly dynamic workforce. Savings would be realized by reducing under-utilized space and ultimately the company's worldwide real estate footprint. Better support for internal customers would be driven by streamlined processes for managing churn and facility services.

Elements of the strategic plan included placing increased emphasis on telecommuting and workforce mobility, implementing consistent space standards and expanding chargeback policies for space, capital expenses and facility services.

Christopher Duggan, service delivery supervisor of facilities, quickly realized that CA would need better facility data to put the business processes and policies developed for this initiative into practice. He planned to move from a fragmented, departmental use of technology to a single, enterprise-wide system. This would allow CA to better track and manage occupancy across its multiple geographies and business units.

Duggan began to evaluate products to centralize and connect CA's multiple sources of workplace information and provide a higher level of visibility across the global software company.

Putting the plan into action

Since 1999, CA had used technology on a site-by-site basis to manage space and occupancy for key locations in North



America. While the stand-alone systems had improved management of those specific sites, Duggan knew that—because of the limited access and multiple databases—he would have difficulty providing visibility into utilization across the entire organization.

Gaining control and increasing visibility into how existing space was being utilized became a key driving factor. For instance, tactics for driving down occupancy costs included application of space standards and more accurate space chargebacks.

In the past, space per occupant was inconsistent and departments had been charged the same for cubicle space and executive office space. CA's new policies would decrease the square footage per person from 330 square feet to 290 square feet and would allow the company to appropriately charge departments for the type of space utilized.

FM:Systems' support and consulting teams were very responsive to our needs. After comparing the configurability of FM:Interact to other products, it was an easy decision to leverage their technology to roll out the system globally.

Again, data accuracy was key. "Chargebacks have been a great way to get my internal customers to appreciate the financial impact of facilities and related services. On the other hand, people naturally defend their budgets. If you show department heads a chargeback report with inaccurate data, they'll eat you alive," notes Duggan. "If you plan to charge departments for space or services, you need to make sure you can produce accurate, detailed information to support your costs."

Duggan wanted to ensure that his company had the right software to support the global initiative. As a result, he evaluated leading facility management products on the market. His criteria included:

- Configurability to align the technology with CA's business processes;
- Open architecture to integrate with other enterprise applications;



- Usability to drive end user adoption;
- Capabilities to improve processes such as onboarding, moves and termination;
- And proven implementation process and superior customer support.

After researching a wide range of products, Duggan felt that the FM:Interact Workplace Management Suite from FM:Systems provided the right combination of flexibility and openness.

Duggan added, “FM:Systems’ support and consulting teams were very responsive to our needs. After comparing the configurability of FM:Interact to other products, it was an easy decision to leverage their technology to roll out the system globally.”

CA chose a phased approach to implementing the system—beginning with North America and then expanding

Facing rapid growth? Visibility is key—it’s important to understand when the supply of space is running low and when it’s time to bring on new space or reconfigure existing space to accommodate that growth.

to other geographies. The North American implementation of FM:Interact started in the spring of 2006 and roll out began in the spring of 2007. CA has worked closely with AMS CAFM Solutions, an FM:Systems Certified Business Partner.

According to Duggan, “CA has specific policies and business processes that required flexible products. We needed a consulting partner that could help CA leverage that flexibility to help us continually refine and improve our data and processes.”

AMS has extended the base capabilities of FM:Interact’s space and move management capabilities for CA and assisted with the integration of the product with other information systems.

Dan Lorenz of AMS notes, “The configurability of the products reduces the time and

complexity to automate business processes. This lets AMS focus on helping CA address business issues and deliver better results.”

Delivering on the plan

In 2007, CA started to see the results of its plan take shape. CA has already experienced a wide range of benefits, including the ability to:

- **Realize occupancy cost savings** – By reconfiguring space and consolidating occupancy, facilities have documented 2.5 percent in savings in North America. These savings were realized by disposing of excess vacancy-terminating leases or subletting the unneeded space.
- **Support workforce mobility** – With a significant number of employees working from home or managing an extensive travel schedule, space was often left unused for long periods of time. CA is now able to better utilize that space by assigning one cube or office to four mobile workers.
- **Improve productivity and performance** – Managers are able to make real-time decisions with live data, including approving moves automatically. As a result, time required to process moves has decreased by 30 percent—resulting in greater productivity for facility teams and reduced disruption to internal customers.
- **Increase visibility and improve decision-making** – Executive management can quickly view the space and occupancy status including the over or under-utilization of buildings. This has helped executives incorporate facilities and related costs into strategic decisions across the enterprise.
- **Allow integration with other systems** – Due to the openness of the technology’s architecture, CA has been able to easily integrate with other systems, including SAP for human resources and financial data. By integrating information from all other databases, FM:Interact has become the central database for workplace information.
- **Configure the products to meet their needs** – The configurability of

FM:Interact has enabled CA to make the product fit their specific needs. For example, AMS CAFM Solutions integrated FM:Interact with Google Maps to allow users in each region to directly access floors of each building. It also includes a search capability which will allow employees to search for items such as restaurants near each office.

- **Increase user adoption** – The product’s usability allows end users to quickly and easily use the product without the need for additional training.

“Technology has played an important role in helping us deliver the initiatives in CA’s strategic facility plan,” says Robert Paul, vice president of Americas facilities. “Better information has helped us drive cost savings from corporate real estate and improve service to our internal customers.”

Think globally, act locally

CA’s story illustrates how facility professionals can deliver value by identifying and eliminating excess space through collaboration and communication with internal customers.

Technology has played an important role in helping us deliver the initiatives in CA’s strategic facility plan.

What’s the best strategy for delivering value by managing occupancy? Clearly, it depends on the composition of your portfolio, your internal customers’ needs and your organization’s strategic goals. Facing rapid growth? Visibility is key—it’s important to understand when the supply of space is running low and when it’s time to bring on new space or reconfigure existing space to accommodate that growth. Is improving cash flow an issue? Perhaps consolidation of occupancy and subleasing space could help.

Regardless of your goal, the key is being able to tie overall global strategy to specific, local needs. Being able to connect business strategy to your operations and to your internal customer’s needs will help your organization make the most of its facilities and will help you elevate the value and reputation of your department. **FMJ**



As vice president of marketing at FM:Systems, Marty Chobot’s primary roles include working with others on the management team to set the strategic direction for the company, helping align product direction with market needs and communicating the company’s value to customers, prospects and partners.

Chobot has more than 15 years of experience with enterprise technology. He can be reached at mchobot@fmsystems.com.


FM:Systems
 Connecting people, place and process

www.fmsystems.com
 (800) 648-8030