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## Strategic Space and Asset Management for Unexpected Change

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**C**hange is the only constant in today's business environment.

The hallmark of a successful company is the ability to swiftly adapt its business plan in response to dynamic economic, social, and political change - whether the result of mergers, acquisitions, growth, downsizing, or natural or political disasters. The events of September 11, 2001 have heightened our awareness of how critical it is for real estate professionals to proactively address change - expected or unexpected.

RSP i-SPACE has developed services, staff, and tools to achieve this level of responsiveness. Utilizing a four-part process to document, strategize, implement, and measure the strategic value of real estate portfolios, we provide owners and managers with what we call "Intelligent Space." The recommendations and action plans we develop vary as widely as our clients, who span the corporate, commercial, industrial, and public sectors.

### Document

Strategic space management requires an understanding of what you have, before you can even attempt to change, recover, or replace it. Mission-critical real estate data for each facility should include: location, size, building type, age, function, physical condition, contacts, and lease data (if applicable). Mission-critical space data should include, at a minimum: lists of current employees and contractors, floor plans indicating where employees sit with departmental adjacencies, and furniture, voice/data, and special equipment requirements.

RSP i-SPACE's approach to documentation uses a variety of services and tools to assemble a comprehensive picture of an organization's facilities, which can include:

- Organization charts, lists of current employees, and contractors
- Current CADD drawings indicating

measured space and adjacencies

- A computerized facilities management system (CAFM) that translates data from CADD drawings and statistical databases into graphic illustrations and space utilization reports

- Voice/data systems information
- A facility assessment system (FAS) for collecting, sorting, and ranking the physical condition of facility components

Both Hennepin County and Polo Ralph Lauren retained RSP i-SPACE to provide an overall perspective of their portfolio so each could better plan their capital budgeting. RSP i-SPACE quickly assessed and documented the condition and life expectancy of each facility, with the survey results stored in a consistent database that provides horizontal (portfolio-wide) and vertical (individual building) analysis capabilities.

While work is well underway for Polo Ralph Lauren, RSP i-SPACE has already developed a comprehensive database and reporting system for Hennepin County that promotes strategic facility and real estate decisions. In addition, the database also supplies an accurate record of facilities, should replacement or recovery be required. The Hennepin County Commissioners' confidence in funding capital expenses has increased based on a phased implementation plan derived from the evaluation effort.

At a recent IFMA meeting, Mike Perkins, Vice President of Design and Construction for Major Projects at American Express, said that CAFM proved "extremely valuable in facilitating our recovery efforts" when American Express needed to relocate 4,500 employees who had been working in World Financial Center offices, adjacent to the World Trade Towers. Because this company was able to quickly comprehend what space and equipment needed to be replaced, it was able to relocate these employees within two and a half weeks of the September 11th disaster.

### Strategize

To paraphrase the Cheshire Cat from Alice in Wonderland: "If you don't know where you're going, it doesn't matter which road you take."

As critical as knowing where you are, is having a clear idea of where you want to go. Once you have documented existing conditions, the next step is to establish a course of action -and contingency plans to address expected and unexpected change. The action and contingency plans we develop with our clients directly relate facilities strategies to business objectives.

### Important questions at this stage include:

- What are the mission, vision, and key business objectives of your company?
- What information do you need to strategically relate the characteristics and performance of your facilities to these aspects of your business plan?
- Have you established facilities goals and standards? If so, what are they?
- What are the facility performance benchmarks and design standards for your industry?
- How will you measure the success of your facilities program against these standards?

When our clients have not established benchmarks or standards, we provide the research and professional design services needed to define them.

### Implement

Once you know where you are, and have a clear idea where you want to go, you'll better understand what you'll need to change to get there. To facilitate this process we have developed Occupancy Forecasting Systems, which help our clients manage current and forecasted space requirements over an entire portfolio.

Occupancy Forecasting Systems such as those RSP i-SPACE has created for American Express, UnitedHealth Group, Comer-

ca Bank and others, are designed to:

- Read current space utilization information from CAFM systems
- Gather occupancy forecasting data via e-mail or an intranet
- Automatically tally and report survey results
- Explore “what-if” scenarios for moving departments, functions, or people prior to producing more expensive fit plans and putting such plans into action

Space optimization and consolidation strategies can be developed and enacted quickly using a combination of Occupancy Forecasting and CAFM Systems, as illustrated by the services RSP i-SPACE has provided for Comerica Bank.

RSP i-SPACE was charged with identifying current vacancies in 27 major Comerica facilities nationwide and preparing a plan for utilizing space more efficiently. RSP i-SPACE documented space types and vacancies in all 27 facilities and customized a

CAFM system to provide a report that shows how departments could be consolidated or relocated.

Comerica is now initiating a plan to significantly reduce its costs via space optimization. The services and information we provided also proved valuable in addressing other business changes and challenges, such as the merger of Imperial and Comerica Bank facilities in California and the provision of a space management and internal rent “chargeback” system for Comerica’s 200 plus multi-department facilities nationwide.

#### **Measure**

Peter Drucker once wrote, “You can’t improve what you don’t measure.” A great plan is only as good as its implementation. The goals established as part of a space optimization plan serve as standards for measuring progress. To facilitate this, RSP i-SPACE has developed Project Tracking Sys-

tems for clients such as American Express, UnitedHealth Group and Medtronic that enable project managers, move coordinators, and other related staff to input, track, and report on multiple projects simultaneously. Designed correctly, these tracking tools can compare data against internal goals and external benchmarks across similar business sectors.

With security and disaster recovery moving to the top of everyone’s priority lists, it would be beneficial to assess your company’s space and asset management system in terms of a process that will deliver “Intelligent Space.” Put your real estate group in its appropriate role within your organization: at the strategic planning level, providing timely and accurate information for critical business decisions.

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