



Why do leading organizations implement Integrated Workplace Management Systems (IWMS)?

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Decision makers in every major industry invest heavily when it comes to Integrated Workplace Management Systems (IWMS). Why? A true IWMS consolidates real estate, facilities, operations and project management processes onto a single platform for measurable results that improve business.

The following white paper shows the benefits received and minimum requirements an IWMS technology should provide. The white paper discusses industry standards, the range of disciplines IWMS spans, external systems (e.g., CAD, ERP, human resources) that interact with a solid IWMS, and the costs avoided when innovators enforce data templates and processes throughout the enterprise.

Executive Summary

The returns from Integrated Workplace Management Systems (IWMS) are dramatic. For example, Aberdeen research suggests that a customizable workflow engine reduces project management cycle times by 30 to 50 percent¹. A local government estimates it saved \$180,000 per year by vacating two buildings. An organization can save 30 percent by implementing a solid Integrated Workplace Management System. Many companies have used an IWMS to reap savings worth tens of millions of dollars, with some of those savings exceeding \$100,000,000.

In this white paper, we discuss industry standard needs, the range of disciplines IWMS spans, external systems (e.g., CAD, ERP, human resources) that usually interact with a good Integrated Workplace Management System and the costs avoided when innovators enforce data templates and processes throughout the enterprise. We also provide specific examples of Return-on-Investment (ROI) and describe how organizations lower Total-Cost-of-Occupancy (TCO).

In our “Strategies and Solutions” section, we discuss the formal definition of IWMS and dig deeper into four primary applications: real estate, facilities management, maintenance operations and projects. For real estate, we focus on high-cost properties, lease administration tasks, common transactions

It is generally accepted that organizations can extract 10% to 35% savings in labor expenses with controls on workplace maintenance. One organization in the manufacturing industry saved over \$190 million in two years with real estate and transaction management.

like sale-leasebacks and the roles involved. In the facilities management sub-section, we discuss an emphasis on space and move/change control. While maintenance operations teams strive to reduce response times, lower costs and elevate customer satisfaction, project managers focus on areas such as asset delivery, planning, risks and performance metrics. A true IWMS captures these applications from a single technology platform.

Our discussion expands into the advantages of IWMS. IWMS drives workplace processes through easy-to-use portals and combines real estate, facilities management, maintenance operations and projects applications on a flexible platform. While IWMS for real estate management reduces expenses, orchestrates lease administration, performs real estate transactions and delivers regulatory compliance reports, IWMS for facilities management administers space assignments, improves occupancy ratios, lowers costs and controls moves/changes. For service requests and maintenance, IWMS innovators improve return on assets through condition assessments, maintenance schedules (both demand and preventive) and automated workflow processes that perform in the most demanding environments. After we describe how IWMS improves project management, we introduce IWMS for the retail industry, which improves top and bottom-line performance, reduces the average time to open and re-model stores, eliminates lease expense leakage and minimizes overruns or delays.

TRIRIGA is an established leader in providing enterprise sustainability solutions. Recognized by leading industry analysts as the best-in-class solution, TRIRIGA provides the industry’s most extensive functionality in a fully integrated solution including real estate management, project management, facility management, operations management, workplace performance management and environmental sustainability for real estate assets.

The Need for Integrated Workplace Management

When real estate and facilities operations run smoothly, they tend to recede into the background. The people using these incredibly expensive assets are unaware of the many systems and processes that continuously deliver critical resources like space, air conditioning, electricity, furniture and communications. There is also the property, the transaction or purchase of the premises, the leases, the floor plans, the overall condition of the space, the safety and tax certifications required, the locks or security and the changes that occur everyday. Add up the elements that contribute to the workplace and an extremely broad range of disciplines emerges.

The “workplace” includes property, plant and equipment expenses, which are typically the second-largest expense after Human Resources. IWMS is a clear choice for many organizations because all of the contributing disciplines - real estate, facilities management, operations and projects - are drawing from the same portfolio of assets. Without a single integrated system to manage these assets, it is virtually impossible to accurately measure and realize the full potential of your workplace.

For years, various facilities, real estate and maintenance departments have been working with highly specialized “point” solutions. One group will work with a CAD-based program that tracks space but not maintenance very well. The maintenance shop will work with a pure Computerized-Maintenance-Management-System (CMMS) that fails to address real estate transactions or room reservations. An accounting firm will offer Enterprise Resource Planning (ERP) solutions with very little knowledge of CMMS or Computer-Aided-Facilities-Management (CAFM). Lease administrators will work with a contract application for years before realizing that contracts are also maintained in a powerful Document Management system. A maintenance technician will fix a chiller and submit the expense when it could have been covered under warranty. Without an IWMS, many organizations are left with separate departments or teams that operate in isolation, resulting in inadequate workplace communications, poorly coordinated events, competing priorities and a host of other unnecessary costs that should have been easily avoided.

Strategies and Solutions

From the patchwork of disparate solutions described, Integrated Workplace Management emerges as an all-encompassing approach that delivers timely and accurate data. Integrated Workplace Management is known worldwide as the discipline of managing very expensive tasks and assets for organizations, including real estate, facilities, operations and projects. The following are primary applications found in top IWMS suites:



Real Estate Management: Real estate typically revolves around contracts and associated properties, including leases, service agreements and other related transactions. With real estate, management is typically focused on how they can:

- Dispose of inefficient or high-cost properties
- Sublease excess space
- Exercise option rights
- Perform lease audits
- Execute sale-leasebacks
- Control relationships between landlords or brokers

A true IWMS combines full-fledged transaction management with the real estate strategy.

Facilities Management: The CAFM component of IWMS focuses on space and move/change management. Good IWMS applications measure occupancy and utilization, lower costs and plan for future space requirements from a single platform. The goals of a CAFM system are to understand the space occupied, make cost-effective decisions, reduce vacant space and deliver efficient facilities support services.

Maintenance Management or Operations (CMMS): The maintenance or operations component of a strong IWMS will be a full CMMS. The system will deliver demand maintenance, preventive maintenance, scheduling, purchasing, labor, materials and a catalog of service providers or vendors. The primary goals for most organizations are to:

- Reduce response time to repair requests
- Minimize lost productivity from facility downtime
- Elevate funding visibility and acceptance
- Ensure customer satisfaction

Condition assessment also plays a key role. By adding condition assessment, organizations perform inspections, identify deficiencies and classify solutions to transform their workplace into a competitive asset - usually measured against an exacting score or index. This information is critical for organizations worldwide as they plan and budget for routine maintenance and capital improvements.

Project Management: Project Management is one of the first places where IWMS separates completely from the patchwork of point solutions. With an IWMS, organizations combine projects with real estate and facilities and focus on accelerated asset delivery, plans, risks and performance metrics. As examples, a new location or office, a tenant fit-out, a renovation or a simple move/change involves many departments, costs and contracts. From end-to-end, all of these projects must be coordinated with a global oversight of costs, timeframes, business objectives, assets, contracts, vendors, supplies, regulations, people and more. With an IWMS, organizations balance the competing demands for quality, scope, time and cost.

Leading organizations now succeed with Integrated Workplace Management as a primary and crucial strategy because it delivers proven results, reduces the cost of occupancy, improves workplace performance and maximizes efficiency.

The IWMS Technology Advantage

IWMS technology helps organizations know what their workplace related assets are, who is using them, how they are performing and if those assets are performing as expected to meet the overall mission. Top-ranked IWMS solutions offer the following advantages for each major discipline addressed:

Real Estate Management: IWMS for real estate management is a comprehensive set of business solutions for the real estate portfolio, from plans to real estate transactions to abstracting and lease administration. Today, real estate teams need to execute large quantities of leases and make significant tax payments, avoid Common Area Maintenance (CAM) over-payments and complete time-intensive regulatory compliance reports. Managers must also ensure that contracts renew before they incur additional charges or penalties. IWMS solutions must reduce incorrect lease payments by automating the processes for rent calculations, e-mail notifications, critical date reminders, allocations and more. An IWMS must reduce lease expenses and automate CAM reconciliations against contract obligations. While FASB and other regulatory data require intuitive reports for capital and operating leases, an IWMS must mitigate contract risks and avoid rent increases or - worse - loss of lease. On the transaction management side, IWMS must address the entire process from planning through deal execution, including cash flow, Net Present Value (NPV) and data for the Profit & Loss (P&L) statement.

Facilities Management: IWMS for facilities management controls space assignments, orchestrates occupancy, captures costs, accommodates changes or moves and plans for future needs in a single environment. This comprehensive understanding of the space an organization occupies provides the foundation for cost-effective decisions, which reduce space management costs, minimize vacant space and provide efficient support

services. An IWMS for facilities must easily expand across an organization's entire workplace. For example, space and move management can be driven by real estate transactions (e.g., acquisitions, sales, leases) projects and operations. Top-ranked IWMS suites also include a bi-directional interface between CAD drawings and the database. Users who are comfortable working in a visual environment can continue working while the database remains accurate and current. Finally, an IWMS must render an easy-to-use method for producing color-coded floor plans that illustrate departmental assignments, space types, vacancies and other unique features.

Maintenance Management or Operations (CMMS): IWMS for operations management must provide the critical information needed to preserve and enhance the usability, safety, and value of real property and assets. IWMS for operations management controls:

- Problem reporting and resolutions
- Maintenance schedules
- Inventory transactions Service orders
- Condition assessment tasks
- Long-term improvements

IWMS also improves return on assets through condition assessments and intuitive maintenance schedules (both demand and preventive) and - through a powerful workflow engine - delivers condition-based tasks that deploy automatically.

A Fortune 100 company extended the life of its assets by 10% through preventive and condition-based maintenance, resulting in millions of dollars in savings.

Project Management: IWMS for project management renders global oversight through intuitive web portals for each type of user throughout the enterprise. IWMS delivers projects on-time with critical path scheduling tools; closes projects on-budget with end-to-end cost managers; opens the channels for document attachments, revisions, and audit trails; and reduces project costs by minimizing errors or legal risks. Top-ranked IWMS providers also help customers plan, manage, evaluate and improve projects from initial planning through changes and close-outs.

IWMS for Retail Industry: For the retail industry, the IWMS must be an enterprise-class suite that increases revenue and lowers expenses. For increasing revenue (top-line performance), an

IWMS reduces the average time to open and re-model store locations, which adds revenue weeks. An IWMS perfects each related step of location development, from planning to selecting, and from designing to building. With respect to lowering expenses (bottom-line performance), a full-fledged IWMS identifies and eliminates lease expense leakage; streamlines vendor and warranty management; and minimizes costs of capital project over-runs, change control and delays.

Additional IWMS Solutions

The workplace is everywhere now. Professionals work in airports, offsite locations, from home offices and just about anywhere else. Access to the Internet or the network is not always available and workers today lose productive time as a result. An IWMS platform saves substantial time in gathering, storing and distributing information between offline users and their IWMS applications. Occasional users with little or no training must be able to interact with IWMS applications in a familiar, Microsoft® Excel® environment. They must be able to work anywhere at any time, regardless of their connection status.

Another important extension to an IWMS platform is an embedded document manager, which takes workplace collaboration to a new level. A document manager posts documents (e.g., contracts, design files, procedure documents) for other team members to access, view and edit. Internal security settings help administrators control which employees and business partners can view, edit, create, or delete any particular file or document set. A document manager also provides revision and versioning control to maintain document integrity and create a comprehensive document history and audit trail. Documents must be checked in and out by authorized users, and comments, notes, and threaded discussions can be attached to all documents.

Decision makers also seek a robust IWMS platform for the rapid processing of transactions and integration with external systems, including CAD applications, financial systems, ERP and more. A good IWMS delivers access to browser-based tools that create and modify the IWMS applications. In short, an IWMS is a comprehensive solution for real estate, facilities management, operations and projects. Leading organizations, including Fortune 500® companies and large government agencies, use an IWMS to reduce costs, elevate efficiencies and succeed.

Conclusion

Given the broad and expanding range of IWMS, fully-integrated and agile technology is critical to realize extraordinary ROI. The benefits of managing the workplace from a single vantage point are astounding and result in substantially reduced cost-of-occupancy. For each of the four primary applications - real estate, facilities management, maintenance operations and projects - leaders in every industry need unique applications that are fundamentally linked and share information seamlessly. The cost savings at stake are in the millions.

There are many IWMS providers in the marketplace and decision makers are well served by the advice of third-party analysts, thought leaders and industry publications. The IWMS industry has been around long enough to unearth the experts that deliver and the imitators that fall short when it comes to vision and ability to execute. Consult the IWMS rankings, choose your solution carefully and implement with veterans for unprecedented cost savings and efficiency gains.

To learn more about IWMS and how we can help assess your needs, contact TRIRIGA in the United States at (702) 932-4444 or visit www.tririga.com for a cost/benefit analysis with ROI for your organization.

¹Source: Aberdeen, "Capital Asset Life Cycle Management: Optimizing Enterprise Performance through Better Asset Intelligence," January 2004

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