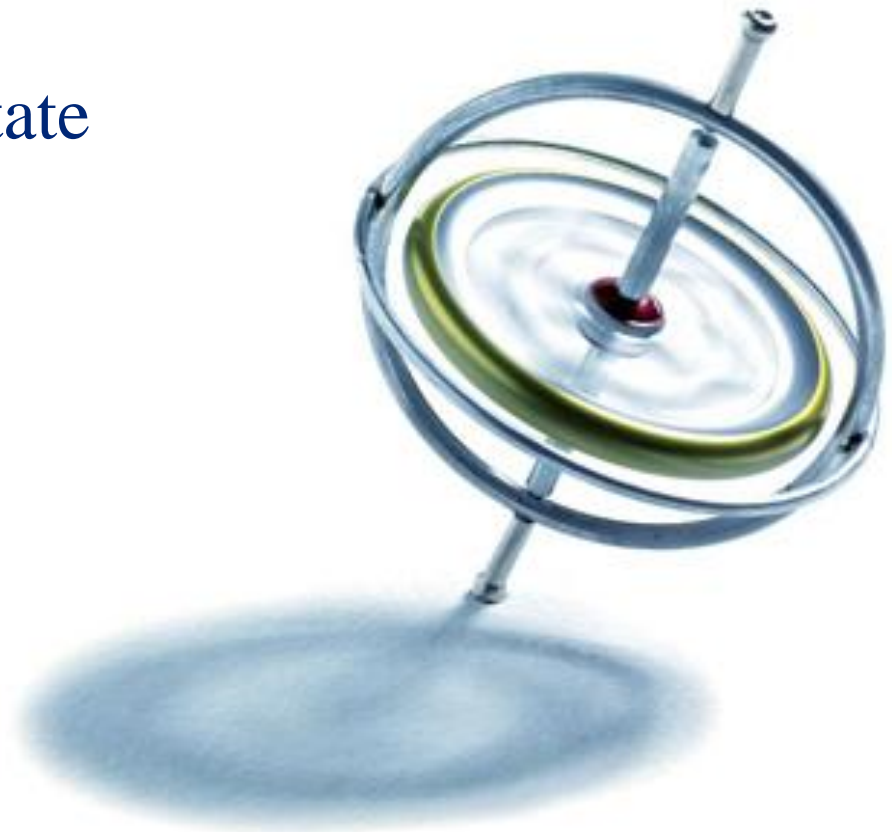


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## Developing a Robust Estate Strategy

Kate Terriere  
Chris Rowe

April 2010

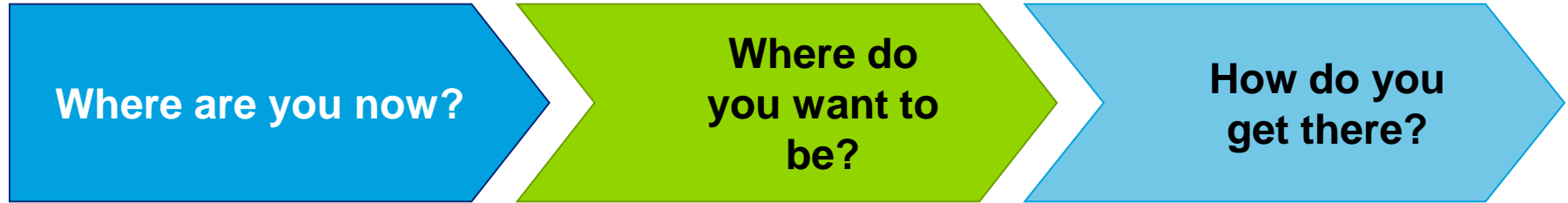


# Agenda

- Estate Strategy process
  - Strategic objectives
  - Estate assessment
  - Space needs
  - Option generation and evaluation
- FM Strategy
- Life-cycle costing
- Procurement methods

# Estate Strategy

## The Process



Business / organisation

Staff

Quantity of space

Quality of accommodation

Cost

Sustainability

Business strategy

Key drivers

Location?

Staff numbers?

Type of accommodation?

Cost reduction?

Carbon reduction?

Estate options

Working practices

FM Strategy

Capital projects?

Change management

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# Where are you now?

Thorough understanding of business

Constraints and opportunities within estate

# Where are you now?

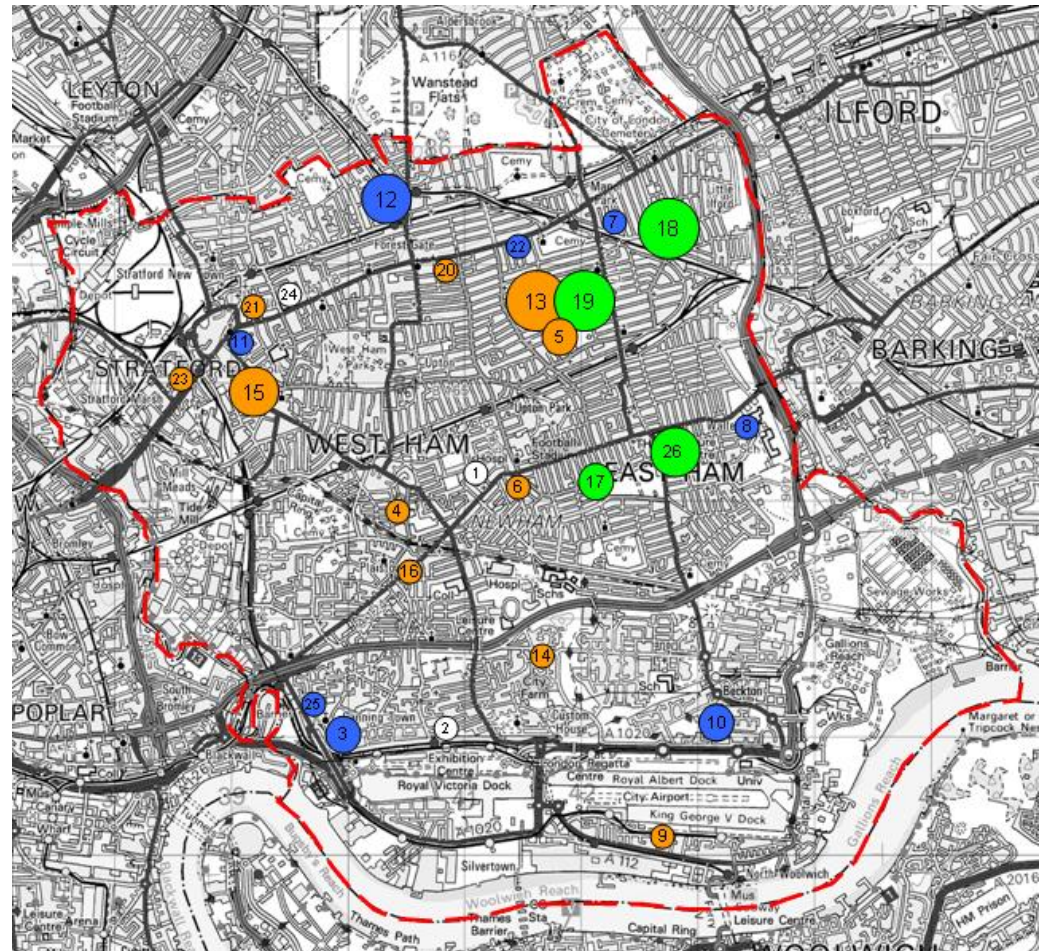
## Understanding the Business

- Understanding how the business operates
  - Organisational structure, location and working synergies
  - How many staff and where do they operate from?
  - Current working practices
  - Sustainability
- 
- Could departments benefit from being located together?
  - Could there be greater efficiency by introducing new working practices?
  - Impact of staff changes on accommodation requirements

# Where are you now?

## Estate Assessment

- Location and distribution
  - Amount of space
  - Space utilisation
  - Condition
  - Functional suitability
  - Cost
  - Carbon emissions – buildings and transport
- 
- Identify estate issues to be addressed
  - Identify constraints and opportunities



■ A ■ B ■ C ■ D

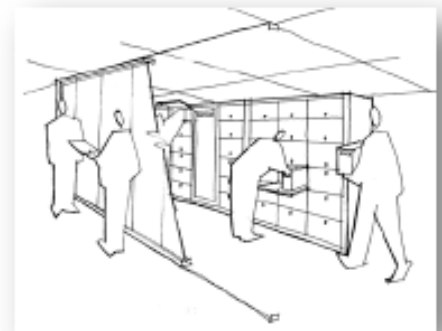
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# Where are you now?

## Space

- Space = cost
- Breakdown accommodation into different space types
- Look for efficiencies within space types
- Benchmark space per FTE
- Space utilisation study
- Calculate space needs
- Determine nature and scale of change required

➤ Over- or under-supply?



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# Where do you want to be?

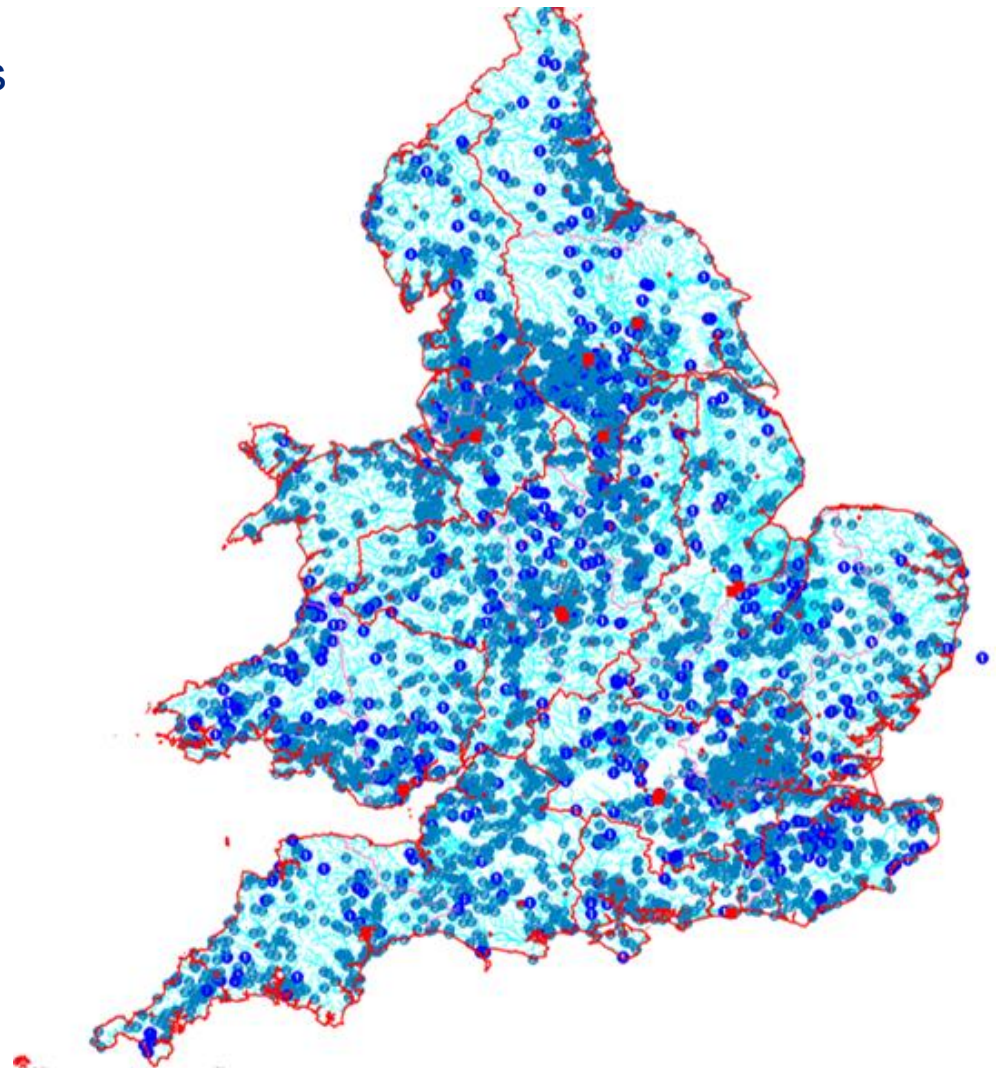
Translating business objectives into property requirements

Staff changes and space requirements

# Where do you want to be?

## Strategic Objectives

- What are the key business drivers that will impact upon space?
    - Location
    - People
    - Cost
  - Is change proposed?
  - Targets for accommodation?
    - Space utilisation
    - Condition / quality
    - Energy efficiency
- Business need drives property change

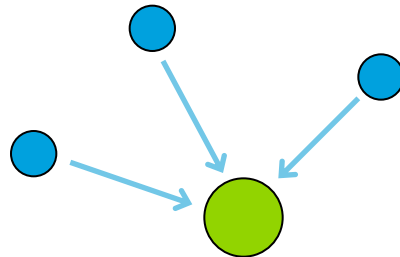


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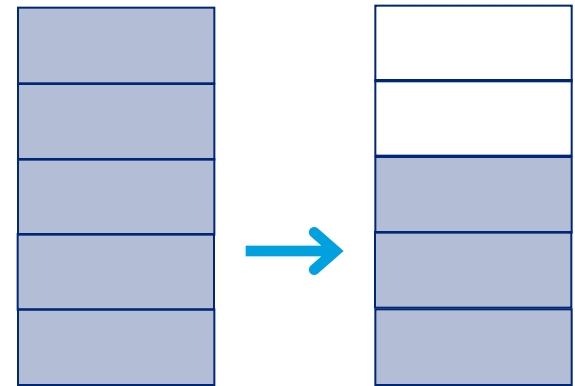
# Where do you want to be?

## Space Needs

- What are the future staff numbers?
- What type of space is needed and where?
- How much space is needed?
- Working patterns
- Can this 'demand' be satisfied within existing accommodation?
- Need to consider location, quantity and quality



➤ People = space



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# How do you get there?

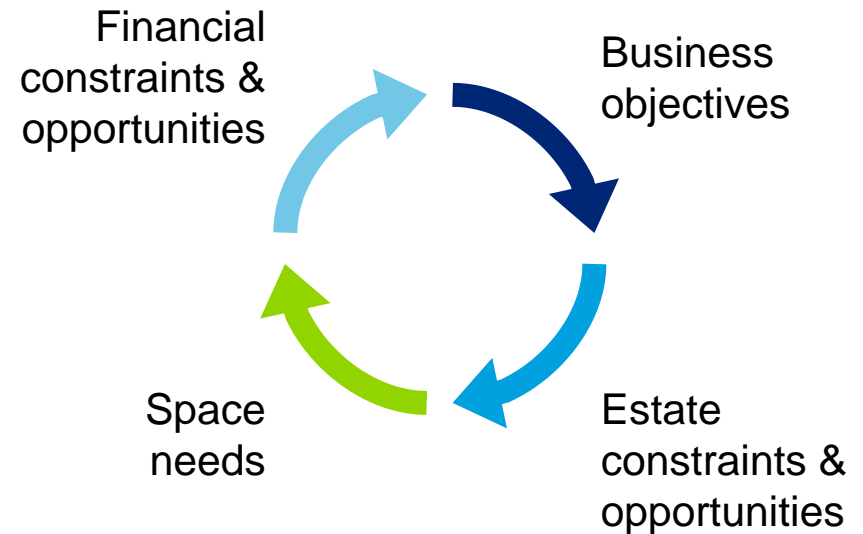
Gap analysis

Generating and evaluating options

# How do you get there?

## Gap Analysis

- Evaluate existing estate against defined requirements
  - Location
  - Quality
  - Quantity
  - Cost
- Clear set of objectives to meet



- Where supply meets demand
- Informs development of options

# How do you get there?

## Option Generation and Appraisal

- Estate and business evaluation defines objectives to be met
- A range of options to meet demand
- Consider scale of change
- Estate change or working practices?
- Behavioural change
- Quantitative and qualitative appraisal
- Consider carbon impact



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# How do you get there?

## Options

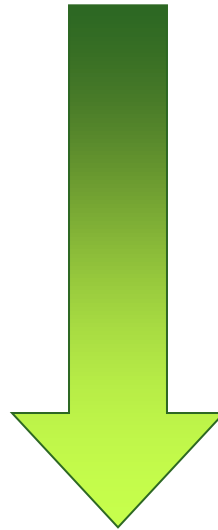
### Capital Projects

Do nothing

Backlog maintenance

Refurbishment

New build



### Space

Do nothing

Increase utilisation

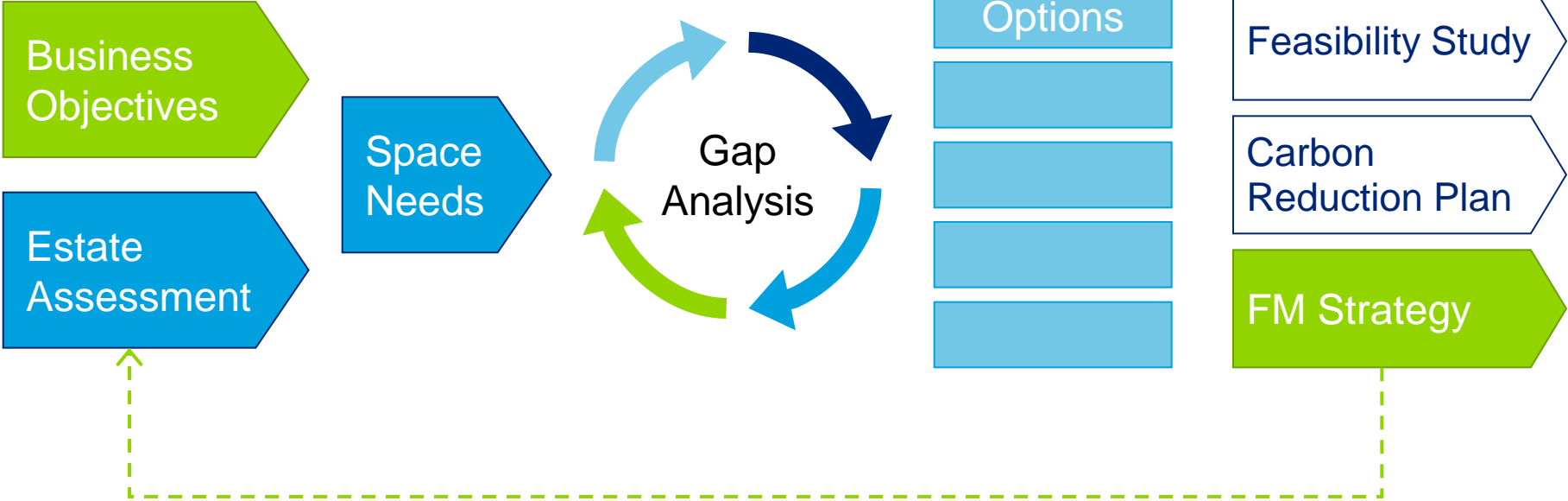
Consolidate

Share / sub-let space

Relocate

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# Summary



# What is FM Strategy?

- Aligning FM to an organisation's strategy
- Obtaining the right solution for their structure, culture and people
- Improving facilities service performance & efficiency
- Ensuring clients receive value for money FM solutions
- Advising on managing change & evolving FM delivery
- Supporting clients through the property and FM lifecycle

# Life Cycle Cost (LCC)

## Considerations

- Age and Condition of Equipment
- Life Cycle / Whole Life Cost
- Regime of Planned Maintenance / Reactive Only / Any at all?
- Asset Value
- How much do you have to spend?

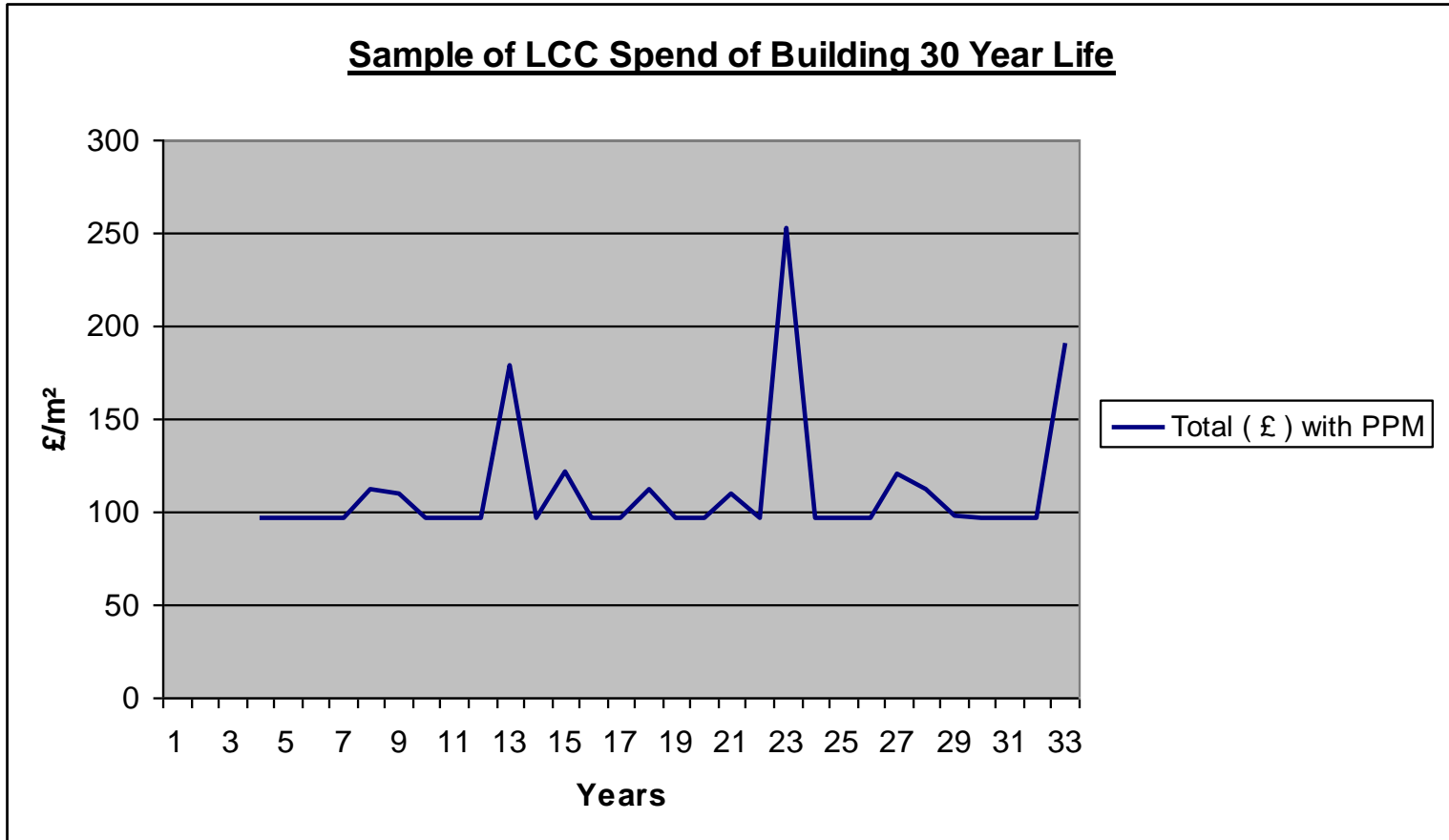
## Risks

- Business (Revenue / Continuity / Reputation)
- No Nasty Surprise (unplanned cost / HS)
- Cost Certainty (Budget)
- Dilapidation

# Life Cycle Cost (LCC)

What can be done?

- Life Cycle Programme



# FM Strategic Review

## Culture & Heritage Client – Case Study

- The client was in need of a fresh-thinking innovative approach and contemporary experience

### Our Role:

- Review of current FM model and its service delivery including contracts and LCC
- Stakeholder interviews and staff workshops

### Services performed:

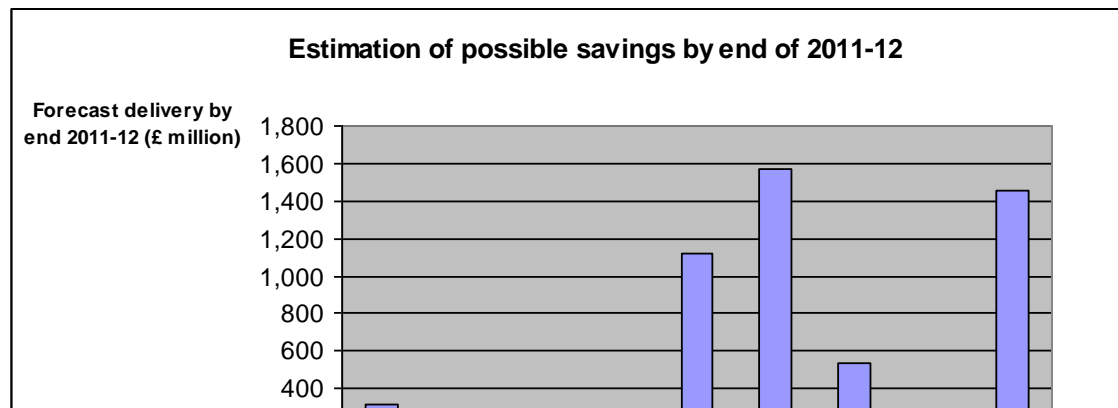
- Development of strategic options and preferred solution
- Development of plan to implement strategy and recommendations

### Project Outputs:

- Preparation of strategic FM service options
- Improvements to service delivery and continuity

# Types of Procurement

- Type of Service Delivery Required / Specification
- OJEU – Normal Restricted, Competitive Dialogue
- Value for Money / Budget constraints
- Examination of Costs (Benchmarking / Market Testing)
- Collaborative Procurement



# Questions

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