

Creating a beautiful relationship - procuring estates and facilities management services

15 February 2011 at Glaziers Hall, Montague Close, London SE1

Introduced by: Alex Thorpe, Programmes Committee, CoreNet Global UK Chapter
 Moderator: Peter Copley, Corporate Property Advisers
 Speakers: Julie Kortens, Head of Corporate Services, Channel 4 Television
 Guy Addison, Deputy Head of Real Estate, Barclays Global Retail Bank
 Panellists: Andrew Burt, VP Real Estate Services EMEA, Johnson Controls International
 Martyn Hayward, Head of Facilities Management EMEA, DTZ

This was a joint event, held with BIFM, accounting for the huge turnout on the day. We were at the Glaziers Hall, an impressive venue, on the south bank by London Bridge and large enough to accommodate the expected 268 delegates, arriving for a breakfast meeting to hear how two high profile occupiers go about selecting the service providers who will deliver their estates and facilities services.

Alex Thorpe, on behalf of CoreNet, opened the proceedings, thanking the Glaziers and Temco for providing the venue and refreshments, in which he was supported by Bernard Crouch, BIFM's London Region Chair.

Moderator **Peter Copley** then took over, noting a steady growth of outsourcing throughout the UK and Europe and now going global before introducing the speakers.

First speaker **Julie Kortens** began by saying how very much she thinks relationships matter. She then briefly outlined the history of Channel 4 a fast moving creative business ('set up to provide for alternative tastesto cause trouble') and the importance to her of employee engagement and listening to what staff have to say, while admitting that she could never expect to get it entirely right as far as everyone is concerned. A variety of service contracts had been set up in 2007 and benchmarked in 2010, after which they were all extended. Now, still learning the lessons of TUPE, Channel 4 is going through the bidding process again in order to appoint a sole supplier to oversee all areas in order, among other drivers, to reduce management time and co-ordinate the objectives of the whole team. TUPE is fundamental, along with KPIs and SLAs, but the most important thing she said is quality - don't cut your cloth too thinly!



Next speaker, **Guy Addison**, from a more traditional occupier sector, described Barclays Bank's experience of procuring and implementing an outsourced real estate contract. Barclay's UK portfolio consists mainly of high street retail properties, supplemented by offices and contact centres. In the late 90s, he explained, the original decision was taken to outsource the real estate operation, until then run almost entirely in-house. 17 bidders competed of which two were selected. Ten years later in 2009 a new, more flexible, approach was required to embody developments in CRE service delivery. The selection process took some 10 months with submissions, presentations, 'behind the scenes' views and meeting the teams that would actually work on the business. In April 2010 DTZ was finally appointed. During the selection process he said, price had been an important factor but, as important were team personalities and an aligned culture. While DTZ had been one of the two previous suppliers, the new contract meant a change in ground rules for all concerned - a new contract and a new way of working. Seven months on the partnership continues to develop and, he wonders, 'could we have been bolder in the outsourcing process?'

Concluding, Peter Copley queried the need for a close alignment between corporates and suppliers. Other questions from the floor covered the need for an 'intelligent supplier'; whether bundling is really the smartest solution; the recommended term for any such contract (3 + 2 years seems to be the answer); and how 'soft' aspects of any tender can be shown in tender documents.

Turning out into the sunshine as I crossed a windy London Bridge with the City's real estate spread out in front of me, I thought what an impressive event it had been.