

Greater than the sum of its parts

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An integrated model for managing property and space could be a game-changer, argues Dan Weiss

Creating value through integration is not new in business - integrated management systems are a mainstay in the defence, aviation, logistics and retail sectors. However, integration is an underdeveloped practice in the management of property and space. Property professionals are still struggling to integrate their estates, construction, facilities, utilities, workplace and asset management functions. Integration is an opportunity to make the sum greater than the parts in a workplace environment that is changing more quickly than ever.

The way we manage space and the way people interact with their physical world is being shaped by advances in big data, digitalisation and appification; by the Internet of Things, artificial intelligence, urbanisation, climate change and automation. At an infrastructural and at a city level, we are starting to see smart design and masterplanning take advantage of these trends, but these advances are still not consistently harmonised or integrated into the way we run property and space at a portfolio level. The way we design, build, manage and maintain our physical world is complex, but the sophistication of the tools now at our disposal means we must take the opportunity to create additional value for everyone.

Standards

Property practitioners continue to establish consistent ways of working. However, the development of these standards is often siloed and discipline-focused, neglecting the need to consider end-to-end management systems. For example, most property practitioners realise the benefit of a single data structure and taxonomy for the entire property cycle, but even building information modelling (BIM) is struggling to cross the divide between estates, construction and maintenance.

Creating an integrated property function can be both a response to an opportunity and a catalyst for change in itself

Standards have an opportunity to reflect the complex and dependent nature of the property cycle and to take an holistic view of how best to provide property and space at every point in the lifecycle. Standard cost, space and occupancy measures or benchmarks also need to be agreed, and perhaps our profession needs to be more open to commercialising this data.

Integration

Creating an integrated property and space management function relies on the presupposition that integration is technologically and operationally feasible. As with all business decisions, the case for integration relies on a clear cost/benefit analysis to

determine that the value created outweighs the investment required.

The increasing maturity of property technology, or proptech, means the use of infrastructure or software as a service and the use of data interfacing are far more common in property than they were even 5 years ago. One result of the growth of proptech is that the cost and risk of deploying integrated systems, and the time taken to do so, has been reduced. This, together with the development of deployment expertise, has helped to make the creation of integrated property solutions far easier.

The enablers for the creation of a single property management function are now readily available, but as with any technology deployment they must be synchronised with robust business analysis and process development, organisation and design. Figure 1 illustrates an integrated property management system that brings together traditional property functions. This has the structures to enable all disciplines and professions to work together to achieve the same objectives, regardless of the level of outsourcing or the configuration of the supply chain.

The value of integration

The value proposition for an integrated property management system is multifaceted. The obvious benefits of creating a single management platform are amplified when the configuration options are considered: an integrated management system is a framework for creating a solution that is optimal for the specific client organisation. It is a standardised means of creating fit-for-client solutions.

Vertical integration

Vertical integration is not just about creating structures and systems from procurement to purchase to pay, it is also about creating a property organisation that can develop and implement strategies that directly support its own aims. Figure 1 illustrates how the property function interfaces with the organisation at a strategic level. The integrated management system then allows the property function to have a clear line of sight as to how it has an impact on the achievement of the objectives for the entire organisation, because it is designed and operated as a single, connected enterprise.

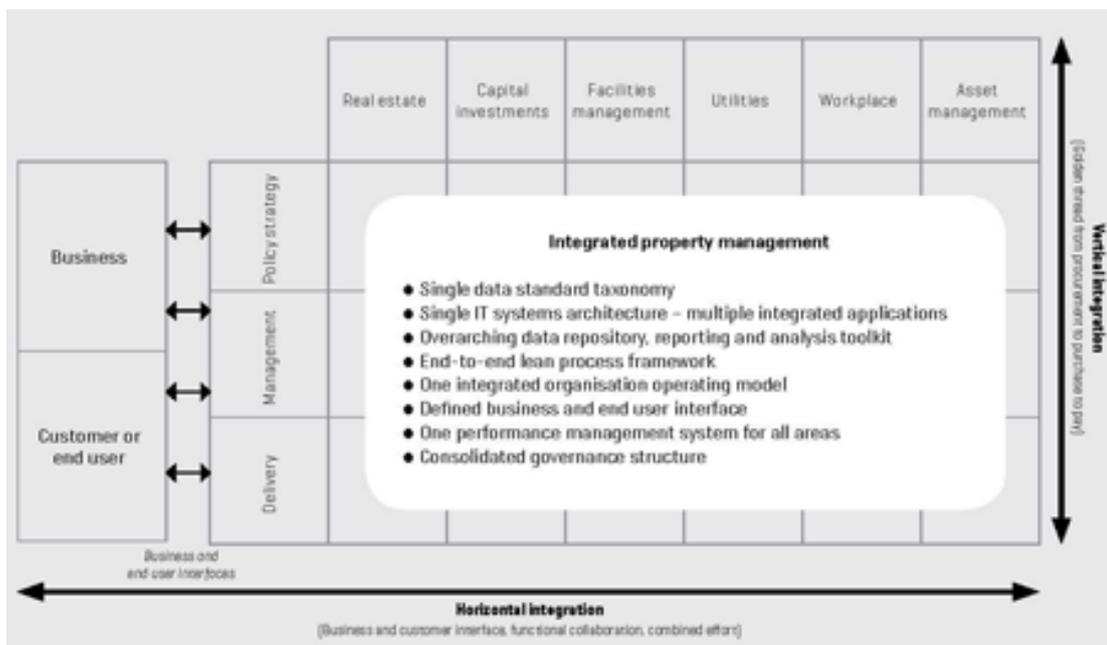


Figure 1: An integrated property management function

An integrated management system enables a look at the big picture. It offers a move away from commoditised procurement to fit-for-purpose property and space management. The integrated property and space management system enables informed investment and operational decisions that demonstrably contribute to the fulfilment of the organisation's strategic objectives, business plan and values. A golden thread runs throughout the property function, making it strategically relevant and organisationally responsive.

Horizontal integration

The integrated property and space management system offers the opportunity to create efficiencies and improve outcomes by enabling combined effort and collaboration. All property disciplines are able to work together to achieve the organisation's objectives because the integrated structures and the nature of the system clarify the roles, responsibilities and interfaces of everyone in the property team. Collaboration is not an option in an integrated model – it is a requirement. Integration creates clear, defined dependencies between teams and individuals in an infrastructure for a high-performing function.

Organisation design

An integrated property management function provides the opportunity for best-in-class organisation design for each component. Because the model offers clarity of mission, purpose and operating methodology, options for the way the components are constituted can be selected with the confidence of fulfilling what is strategically best for the organisation rather than making short-term decisions under the usual constraints of in-year budget targets and cost and service reductions.

Decisions about configuring an integrated property function should be made with the strategic objectives of the organisation in mind, and with the recognition that being best in class is not an aspirational achievement but an organisational must.

The line between in-house and outsourced capability is traditionally drawn between delivery and management (Figure 1), based on a notion that in-house teams are best at policy, strategy and management and the market is best at providing services. This assumption should, however, be challenged when pursuing the goal of being best in class.

This is particularly relevant as the definition of management now includes integration of data, processes and people, and the operation of the resulting system. With a widely reported skills shortage across the profession, client organisations must ask themselves whether they are best placed to take full advantage of advances in technology, data and management practice or whether being best in class means looking to the market for support.

Transformation

Creating an integrated property function can be both a response to an opportunity, such as business change, and a catalyst for change itself. Either way, integrating the property function is transformational because to do so means every aspect of the property model must change.

The creation of a single model with end-to-end processes, common data taxonomy, system architecture, organisation design and ways of working affects every team and every role. Implementing this change is an opportunity to revisit what the market is offering and also how the property function works and interfaces with the organisation to ensure strategic alignment with corporate goals.

Process design

An integrated property management system is built around one end-to-end process model that includes the business rules, hand-off points and service levels related to all aspects of policy, strategy, management and service for all property disciplines. This model is designed to identify clearly the control points that are tailored to the organisation's delegations of authority. The transparent, single system architecture and data model around the process model ensures compliance with these control points.

A single process model provides the opportunity to apply lean and continuous improvement methodologies throughout, eliminating duplication, waste and bureaucracy while optimising resource activity and deployment. Furthermore, the process model provides the perfect platform for applying standards: the comprehensive and singular nature of the management system means that standards are harmonised. The integrated process model also lends itself to best practice in quality management, enabling more efficient auditing and assurance.

Aggregated management

An integrated property function with a single process, system and data model is a means of aggregating and standardising management of suppliers. This has inherent benefits, but it also allows for disaggregation of the current supply chain and the configuration and deployment of one that is optimal for the client organisation at all times. It enables the client to determine the outcomes required and the supply-side arrangements most suited to achieving those outcomes, rather than having to buy the lowest-cost offer on the market.



Figure 2: Data cubes that inform practical and strategic decision-making when integrated

The standard ways of working, under the integrated management system, along with the flexibility of interfacing options mean suppliers can be selected based on their ability to deliver the core service defined by the client rather than other factors such as their investment in management systems or technology platforms. The ability to work with a disaggregated supply chain means the client can access other parts of the supplier market, most obviously small and medium-sized enterprises (SMEs).

The economic and social value of developing such enterprises is well documented, but the property sector has struggled to find a way to engage SMEs directly. An aggregated management capability, created by an integrated property function is a means of unlocking the value they have to offer.

One version

Through the adoption of a single taxonomy and structure, the value of data can be realised with transparent, real-time information that, with analytics, becomes intelligence, which is critical to informed decisions. It is only through the creation of a comprehensive, accurate and integrated view of a large, complex estate that an effective strategy can be developed to support the fulfilment of the organisation's business objectives. Figure 2 provides an example of the integrated data structures used to promote data-led outcomes across the property portfolio that are aligned to corporate objectives.

Cultural alignment

Integrating people in a multi-organisation model is probably the most difficult goal to achieve but is critical to success. Integration clarifies roles and provides a single business model for interaction and collaboration, but it is the alignment of values, behaviours, purpose and ambitions that is central to ensuring a high-performing enterprise. Systems, data and process integration only succeeds with cultural harmonisation, where connectivity, openness and trust enable organisations to bring their specific strengths and work together to solve problems, innovate and create enterprise value.

Dan Weiss is Managing Director, Integrator ? Defence & Government Services, [Sodexo](#)

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