

# White Paper

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## *Corporate Services From Theory to Practice*

Change has become a constant for the business sector

- Changing customer base
- Change in management or ownership
- Need to ration resources or redeploy capital

Today: Senior management's strategic goals and challenges

- Create value (customer & shareholder)
- Respond to customer needs (satisfaction & cycle times)
- Maximize efficiency (cost, use & redeployment)
- Develop and apply technology
- Focus on the core business
- Extend global presence

The role of Corporate Services - *Trusted advisor with a portfolio view*

For any service organization to help the business units of a corporation ...

- They must first *understand* what drives the business
- What are The Mission, Objectives, and Strategies
- What challenges do *they* face

Accordingly, a major current challenge...

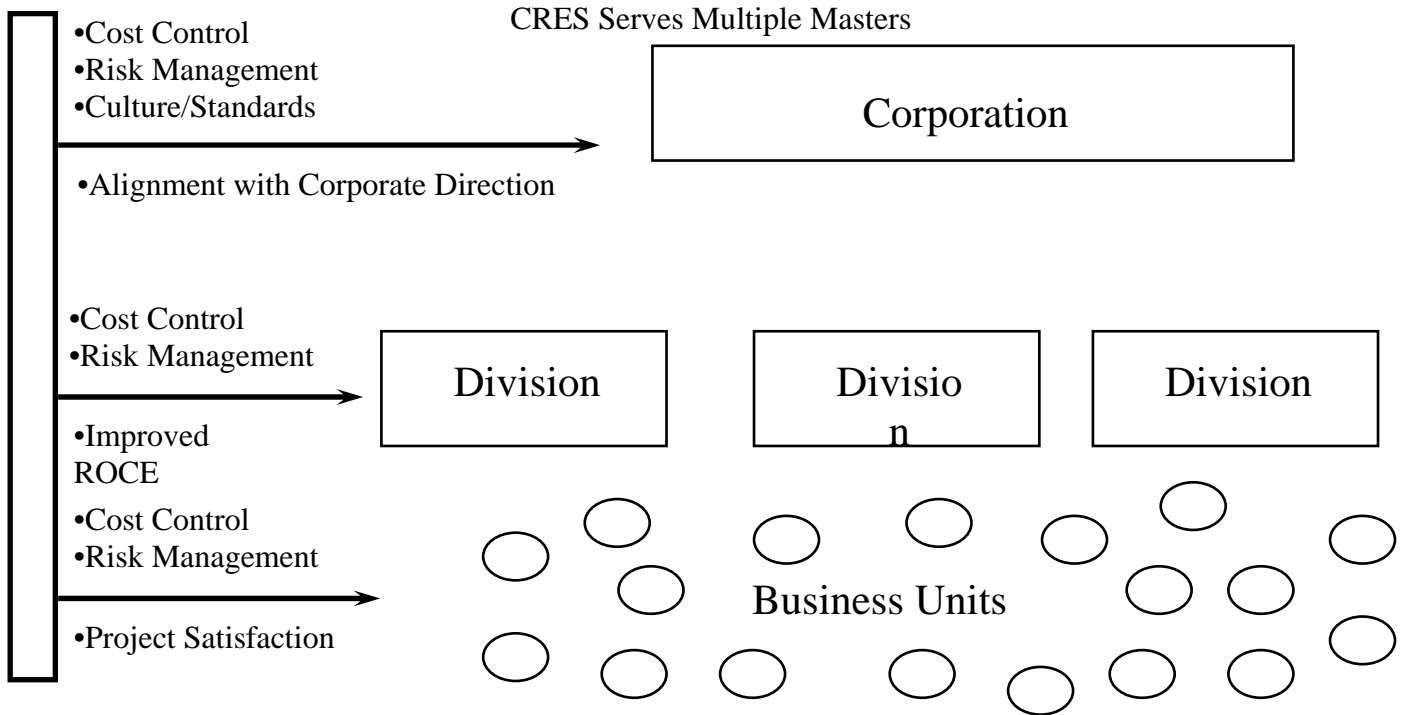
To secure and maintain competitiveness in global markets  
*necessitated by*

- Structure changes in business fields
- Shifts in cost positions of regions and competitors

*consequently service organizations must help business segments*

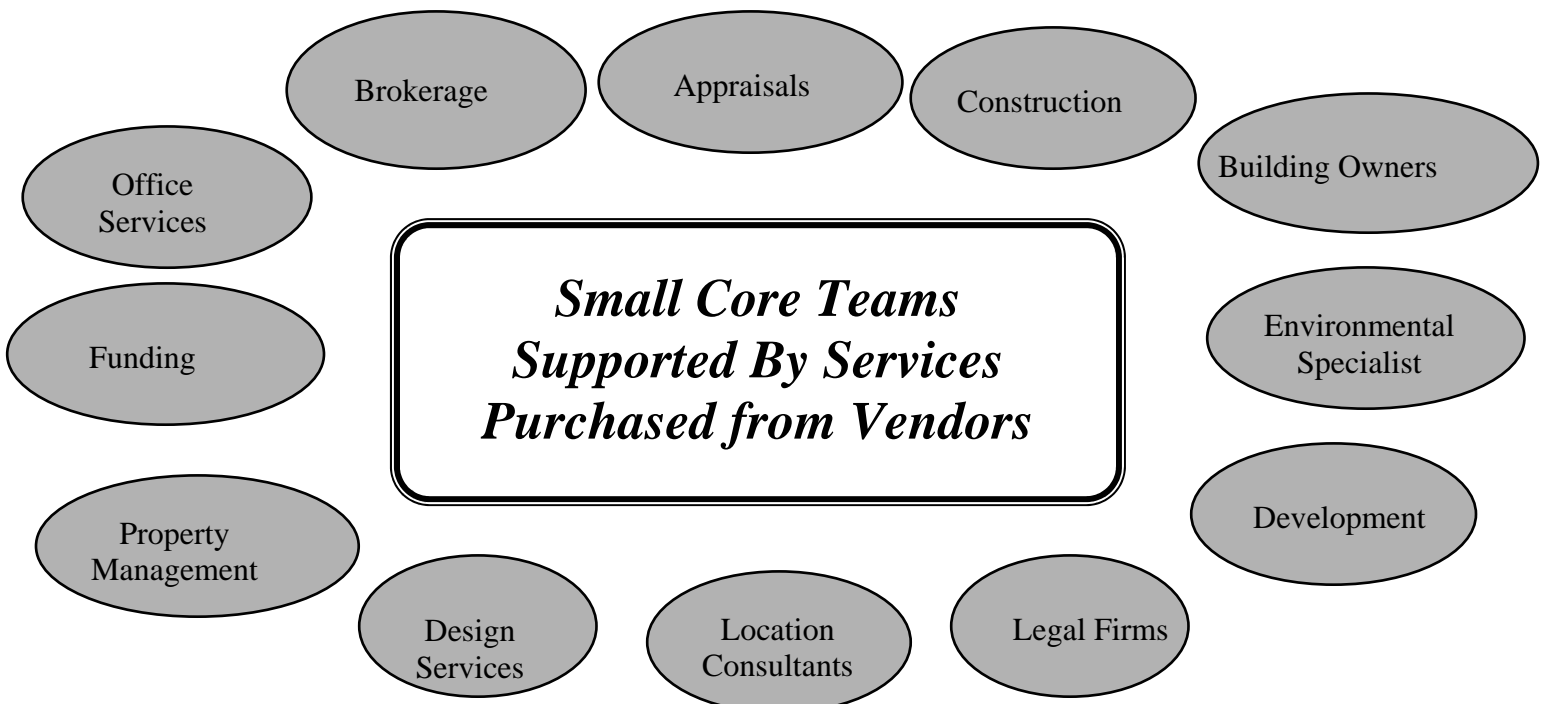
- Accelerate operational processes
- Reduce costs & add value

CRE Organizations must respond to business unit, division and corporate management requirements



Provides Real Estate Advisory and Project Management Services on acquisition, management, construction, outfitting and redeployment of assets for use by corporate business units worldwide

CRE S Dominantly Uses the Strategic Alliance Model



## Organization/Role of Corporate Real Estate

Greater use of the *process management* approach to services

*Proactive marketing of services* and capabilities to in-house customers. Increased use of dedicated corporate real estate *account managers* to interact with business units.

Expanded use of single source corporate real estate "*center of expertise*" located within regional shared services centers - merging many allied services into such centers (e.g., plant engineering, retail real estate)

Expanded use of *purchased services* to supplement services management often using strategic alliance contracting methodologies. Consolidating services providers to a reasonably manageable number.

Establish and maintain a "*rapid response*" *capability* for certain key core competencies as needed, on-demand within all key geographies of the corporation.

## Core Competencies

Evolution toward *program management* as a lead competency versus providing of services.

Expanding emphasis on *business management skills* versus technical industry skills in corporate real estate - many corporations recruit personnel (particularly at the senior levels) experienced first and foremost in the businesses of the corporation.

Increased focus on *gaining and sharing knowledge* as a competitive advantage.

Expanding emphasis on *training personnel and suppliers* in order to keep them developed and current on trends and practices as well as the businesses of the Corporation.

## A Sampling of Teaming Sources (CRE Service Organizations Needs to Team)

Parent Corporation & Business Segments

Strategic Alliance Partners & Preferred Vendors

Specialty Contractors

Sources for Capital & Assets

Other Allied Corporate & Division Centers of Expertise

Company Employees

Communities in which Company does business

## Guiding Principals for the Service Organization

Pursuit of strategic initiatives to utilize services & products to *Enhance Shareholder Value*

Increased focus on *Cost Structure* as a source of competitive advantage

*Streamlining* of product, service delivery methods, technology and support structures

Development of a *World Class Approach*

Development and improvement of *Common Processes*

Development of information *Technology & Tools* to support mission

Establish & manage *Performance Measures* relative to cost, quality & time cycles

Continual change/*challenging* the "status quo"

### CRE Mission & Services Going Forward

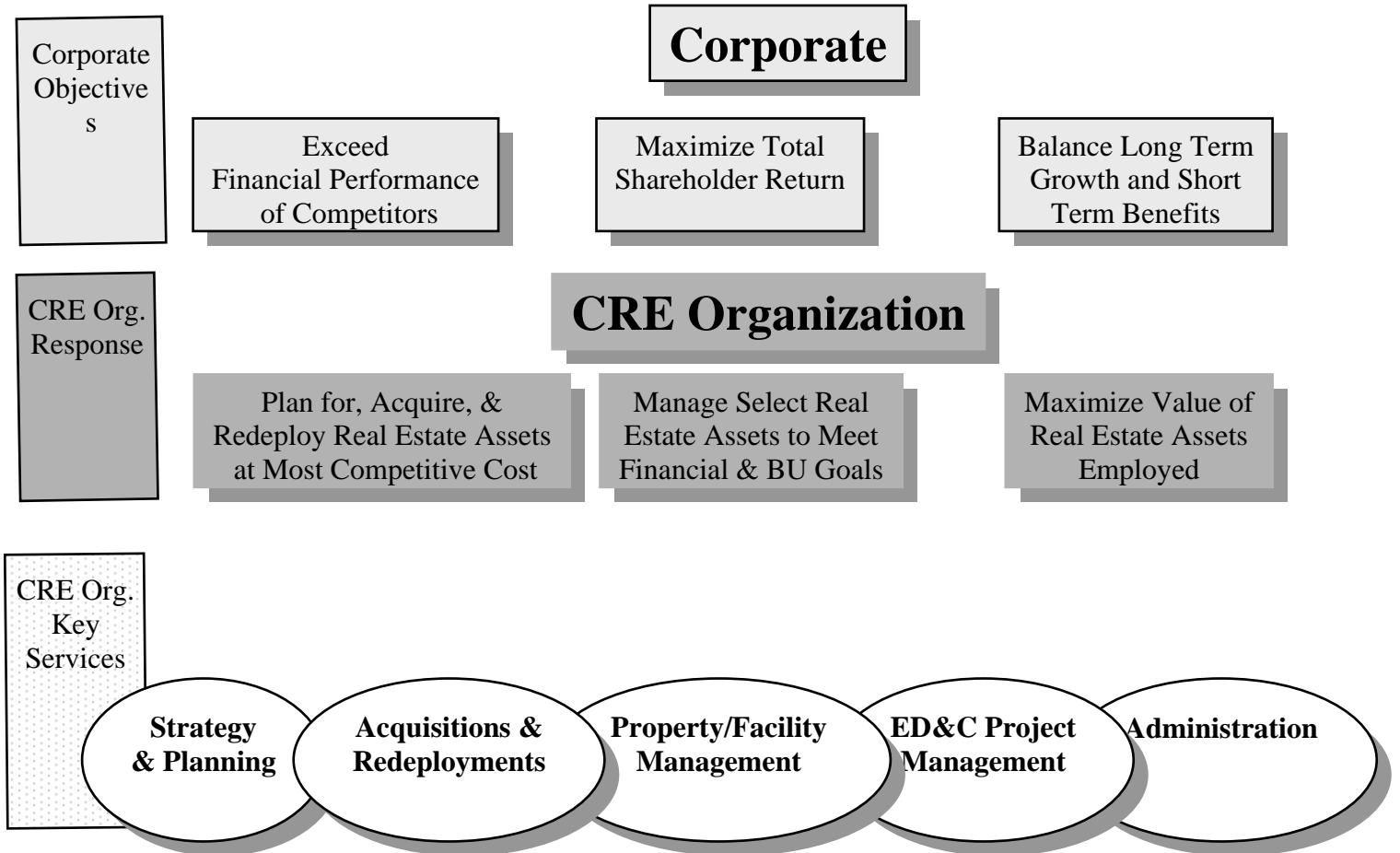
Provide world-class real estate strategies and service globally in order to assist company business units in accomplishing their business objectives, thereby enhancing the corporation's competitive position

Such services are linked directly to the planning, acquisition, management & redeployment of real property assets to implement user objectives

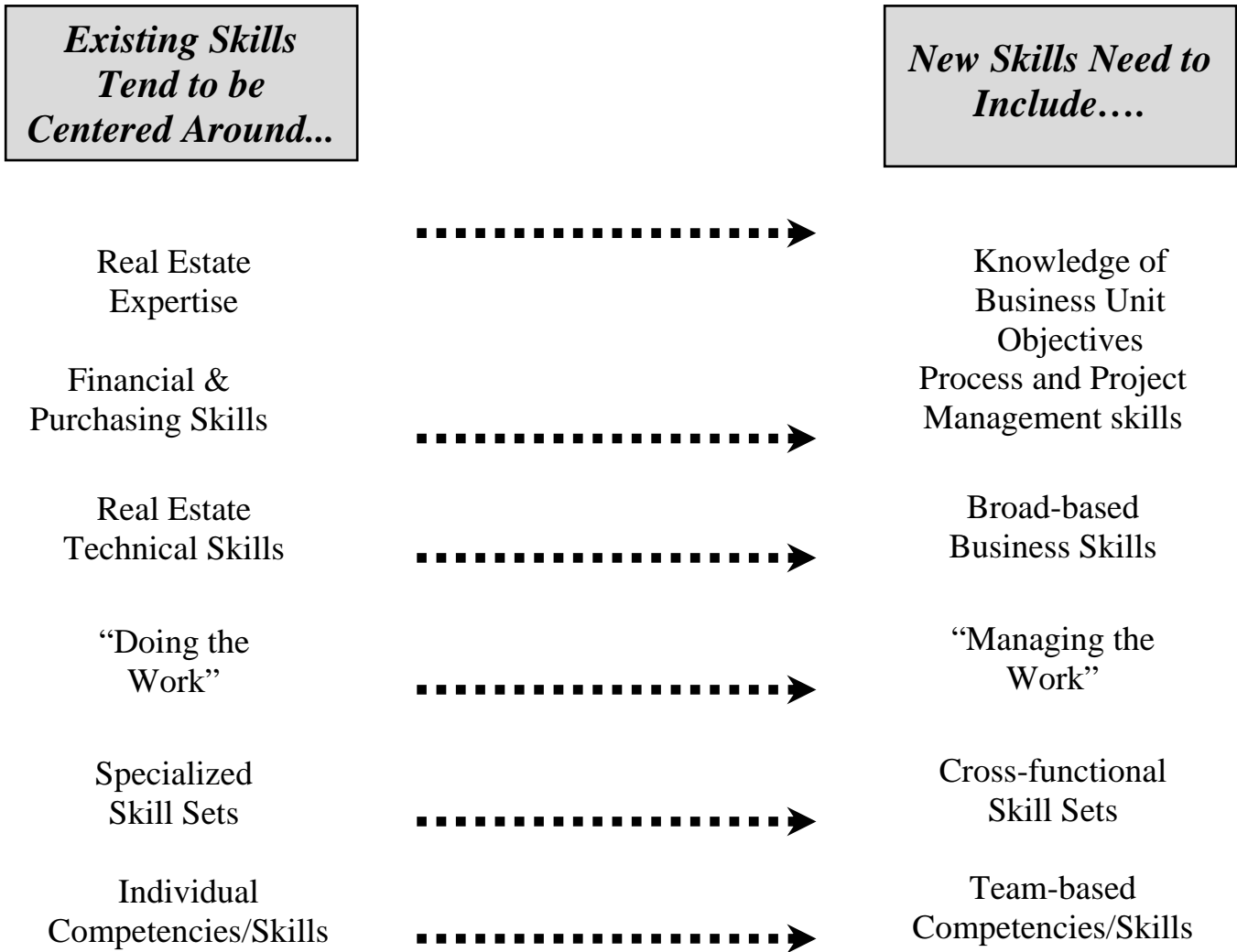
To that end, such opportunities are *controlled by* & must *conform to* the business of the corporation

### Organization Response to Corporate Objectives

According to industry studies, Corporate Real Estate Organizations today link decisions and activities to corporate and business unit strategies and objectives



CRE Evolving Core Competencies



The Conclusion

We believe that such an approach to planning for, acquiring, managing & redeploying real property assets to implement the user objectives of your corporation's businesses worldwide is right on target