



## SYSTEMS CONSOLIDATION

# How Integrating Workplace Management Solutions Can Help Companies Know Their Total Cost of Operation

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## Executive Summary

In today's increasingly interconnected workspaces, companies trying to manage something as complex and proprietary as an organization's lease and real estate portfolio with point solutions are shown to be less efficient, less productive, and less responsive in nearly every workplace management process. To create a positive impact on maximizing space utilization and reducing costs, companies need to consider "integrating" their real estate and workplace management processes into a single enterprise solution that will create true operational effectiveness and lower the Total Cost of Ownership.

In carefully considering such a scenario, San Diego Gas & Electric (SDG&E) realized that their continued growth would be weighed down by the limitations inherent in their legacy point solutions for workplace management. Considering that SDG&E provides energy service to 3.4 million people in San Diego and southern Orange counties, spans 4,100 square miles, and employs over 5,000 people in California – and growing – they realized it would be sooner than later that they would need to find a better solution. SDG&E collaborated with consulting firm Facility Management Planners, Inc. (FMP) to implement an Integrated Workplace Management System (IWMS) to achieve their goals of accurately calculating and lowering the total cost of operations and to more efficiently manage their data, processes, and workspace.

## SUMMARY AT-A-GLANCE

- Managing a company's lease and real estate portfolio with point solutions creates an inefficient and poorly responsive process.
- Companies need to consider an Integrated Workplace Management System (IWMS) to create true operational effectiveness and lower the Total Cost of Ownership.
- Our case study here with SDG&E shows how they achieved their goals of accurately calculating and lowering the total cost of operations, as well as more efficiently managing their data, processes, and workspace.



## Introduction to the Problem

Companies today are prone to typically employing legacy systems for storing, retrieving, and applying data. They may be more than sufficient for handling most operational tasks, but they tend to fall short in many organizational and relational data-type activities. These legacy systems can be loosely coined as a collection of point solutions, where any stored data on a server, network, or computer is not dynamically interactive – or interconnected – for the user(s) and the organization.

Understanding Total Cost of Operation is a key component to managing a real estate portfolio. Using various point solutions as workplace management tools, an organization may be able to go on an extended streak of executing operational tasks, but eventually they will not have the ability to relate data and strategically analyze their portfolio. SDG&E, a Sempra Energy Fortune 500 energy utility company in San Diego, California, faced this very problem. Lease management used one application, while space and operations management used a separate and not interconnected application, causing their goal to be completely unattainable due to two key shortcomings:

1. Siloed Information, and
2. Insufficient Resources (or methods for localizing and organizing data.)

The negative results showed up in the day-to-day operations: managers were unable to make strategic decisions due to lack of visibility to information. Consequently, these managers had to gather data from multiple sources to produce reports and facts.

Immobility is a symptom of a point solution system and is one of the contributing factors to stifling a company's ability to operate at peak performance. Ironically, some facilities are apprehensive to adopting new systems simply because their existing ones have “worked” or sustained operational management for this long. Their refrain in the boardroom is always, “Why change something if it's getting the job done?” While this question is always one to consider in making enterprise-wide decisions, in this case it fails to recognize the state of today's workplace – and that it is an evolving, dynamic, and interconnected environment, and it's only going to operate as efficiently and productively as the adaptability of its management.

## Implementing an Integrated Workplace Management System (IWMS)

### What is IWMS? And why would it be a good fit?

When a company is looking to step away from a point solution system or update their legacy system, they can choose from a number of dynamic, integrated solutions. But only one of these solutions is characterized by an enterprise-level software solution that integrates four key components of functionality:

1. Real Estate and Property Management
2. Space and Planning Management
3. Asset Management, and
4. Building Maintenance.

That solution is termed an Integrated Workplace Management System – or IWMS. What makes an IWMS the best solution is its ability to be flexible enough to be designed to simulate unique business and managerial processes. With the advent of easily accessible web-based technologies and applications, IWMS can take workflows and processes a step further by providing in-depth, dynamic data solutions for companies and businesses looking to get the most out of their workforce, research, data, and operational metrics.



When looking for the right IWMS solution, three attributes must all align:

- One Application – for an IWMS to be truly interconnected, it has to house all information in one database or system application.
- Process Driven – it has to be workflow dependent, whereby a business can tailor the IWMS to fit its unique business processes.
- Web-Based – in today’s mobile workforce, having accessibility to all users eliminates the need for costly multiple resources and programs.

## FMP’s Solution for Workplace Systems Consolidation

Facility Management Planners, Inc. (FMP) is a progressive consulting and information management firm that partners with clients to design a solution to manage the entire lifecycle of their real estate and facility infrastructure assets. FMP empowers users to take charge of their own business processes, and in so doing, helps a business control costs and protect capital by providing relevant, actionable data. FMP understands why introducing new business processes benefits an organization. And more importantly, FMP knows how to execute the changes, even in refining the ones that already exist. FMP provides any business environment with a vast array of analytical tools that stimulate accountability and efficiency and increase visibility and automation enterprise-wide.

### The Product Solution: ARCHIBUS®

“ARCHIBUS is the No. 1 provider of Real Estate, Infrastructure, and Facilities Management software.”\*

ARCHIBUS is an open-sourced, modular IWMS that utilizes a centralized repository for storing and manipulating information used in a web-based dynamic environment. With over 30 years of helping businesses achieve success in facilities management, their software has evolved into strategic, centralized solutions that operate from a single database and offer workflow tools, executive dashboards, and predefined and customized reporting.

\* Needs footnote from source. Even if you make up a client saying it, you can footnote it like: \*FMP client after trying a number of home-grown solutions before deploying Archibus.

### Maximizing the ROI with a Combined Team: ARCHIBUS + FMP

FMP is a trained ARCHIBUS application specialist and implementer of ARCHIBUS’s IWMS. As it’s our product of choice, FMP recognizes the potential that the ARCHIBUS program has to simulate a company’s workflow and transform prior legacy programs from a point solution system into an interconnected workflow platform, propelling companies into efficiency-producing visualization solutions and possibilities never imagined before.

Let’s return to our case study company, SDG&E. They had a goal in mind but were aware of its shortcomings from using a point solution system. SDG&E entrusted their portfolio and data with FMP and has since realized significant company advancements.

SDG&E’s benefits as a result of the implementation efforts of the FMP + ARCHIBUS solution included:

- Data analysis and clean-up that eliminated redundancies and errors throughout the organization.
- New powerful, interconnected, and understandable workflows in data views, making the processes more user-friendly.
- Created efficiency of scale in being able to expand into the future with possibilities for further integration and future business development within their modular system.



## Taking a Deeper Dive into the Specific Problems and Their Accompanying Solutions

In this section, we take a deeper dive into the three ways that SDG&E reached their goal and took advantage of IWMS with FMP's guidance and implementation. The three areas are:

1. Closing the gap on siloed information
2. Redundancies caused by legacy systems
3. Inability to edit or retain data adequately

### 1. Two Systems = Siloed Information

One of the looming problems that prevented SDG&E from achieving its ultimate goal of calculating Total Cost of Operation was the fact that their information was not gathered in one centralized source. SDG&E was managing property leases and space management with two completely separate systems. This type of storage is known as siloed information, where data is kept in separate repositories and is incapable of working with other managerial systems.

Every time the SDG&E Lease Management team acquired new leases or properties, the Space Management team would remain unaware of the newly acquired property – unless someone was proactively seeking new information. Updating or sharing information was a costly manual process rather than a seamless dynamic database workflow process. Additionally, every lease generates its own identifier, which is required for Space Management to begin their workflow process of adding a new property to the company's portfolio. While it is certainly possible to keep communication active between departments, the problem is that there is a forced dependency between data sources and departments. This sort of reliance can create a cascading affect from one data source to the other, which can lead to input errors and downtime.

The FMP + ARCHIBUS Solution: Consolidated the Lease Management and Space Management data into one system.

In doing so, the workflow process was simplified and refined. Consolidating into an IWMS completely eliminated the "lag time" and reduced the chance of error when transferring information between departments. Managers can now detect and respond when changes occur due to the way that the information is now centralized, dynamic, and in real-time. Space Management has immediate access to retrieving lease codes from the same database that Lease Management is inputting data.

### 2. Redundancies Caused by a Legacy System = Insufficient Methods

Sometimes software is not designed to properly handle certain types of data. Tasks can be simplified only if the right tools are used correctly. However, having the wrong tool can either drastically increase the amount of time and work required, or if no other tool is available, a costly and time-wasting workaround solution is created.

In SDG&E's situation, the legacy system used to manage leases simply wasn't the right tool to handle the structure of their lease portfolio. For example, the legacy system was set up to handle a 1:1 lease per property ratio – meaning only 1 lease could be applied to 1 property. Additionally, the legacy system was not easily configurable, making changes a daunting task. Users would have to reach out to the vendors, let the vendors develop the changes, and then have vendors return any changes. This limitation of the ability to modify prevented the creation of fields or the tracking of leases by different periods. These software deficiencies equated to tremendous amounts of extra work, unnecessary bookkeeping, and a much higher chance for mistakes and errors.



The FMP + ARCHIBUS Solution: The ARCHIBUS system allows for an unlimited number of leases under one property – thus removing all extraneous, duplicate, and redundant information. The dynamic nature of the ARCHIBUS interface also makes it user-friendly for modifications or tailoring. Data and system changes are now simple and immediately effective.

### 3. Inability to Edit or Retain Data Adequately = Insufficient Methods

SDG&E's legacy system did not have a way to edit leases while concurrently maintaining a historical record. For example, if a lease needed modification to its start or end date, Lease Management would simply change the end date. As a workaround, Lease Management would prematurely end the current lease, initiate a new lease, and duplicate existing information. This is a good time to bring up an important IWMS rule: intentionally creating redundancies as a workaround should be avoided at all times. However, in SDG&E's case, this method was the only way for Lease Management to utilize the tool to suit the requirements for the job.

The FMP + ARCHIBUS Solution:

Data duplication and redundancies were remedied through the use of a hierarchical, tiered system – where changes and other information is recorded in tiers, which in turn, still belong to the original lease. ARCHIBUS offers multiple tables that tier from the initial leases table. Now, all modifications and varying information of existing leases are recorded and utilized the way SDG&E had always intended. The hierarchical workflow functions as follows:

- One property may contain more than one lease
- Leases costs may be paid in varying intervals
- Leases may now record a variety of associated costs with different end dates and distinct allocations, which may be based on departmental layouts or tenant occupancy

## Benefitting Everyone in the Business: The Reason IWMS Works

After taking all of the data from the siloed, insufficient point solutions, analyzing and cleaning the data, understanding workflows, and consolidating data into a live, web-based IWMS system, questions remain: “Now what?” “How can all users from each department benefit and utilize live data simultaneously?” The answers are clear and centralized just like the solution: ARCHIBUS's Web Central. Web Central is the virtual database where all data can be viewed, analyzed, and generated. This web-based portion of ARCHIBUS is what makes this IWMS system the preferred tool for aiding all users and providing results that control costs and save time.

Let's explore a few examples of how Web Central further helped SDG&E:

### A Benefit for All Users

Being a central point of access, Web Central gives users the most current information because it's centrally accessible to everyone to update in real-time. When a modification is made from any user, it is immediately processed and displayed for any other user who is also accessing Web Central and part of designed department or group.

Web Central embodies a practical, user-friendly interface, where multiple users across different disciplines and specializations can utilize the virtual database with ease. All executives, employees, contractors, and consultants have the opportunity to use the same application. In the case of SDG&E, a space planner who has little or no CAD experience or no access to drawings might have requested to view a floor drawing to plan a cubicle reconfiguration. Typically, this space planner would have waited on their CAD specialist to hand off the floor drawing. This routine is no longer necessary since the ARCHIBUS Web Central interface allows the space planner to open any drawing from the portfolio.



The company-wide usage of this internet/web-based application also means that the remote functionality of the software is an effective workplace efficiency tool for those who work remotely or are often in the field, as is the case in more and more companies that have increasing mobile workforces.

### **Flexible Reporting in Real-Time that is Actionable**

Reports can be instantly generated through a variety of different metrics, standards, and restrictions found in Web Central. The ability for management teams, either of the same or different department, to produce pre-defined, yet flexible reports is a powerful feature that spreads valuable knowledge to more people. Most cross-departmental reporting would require planning meetings or going through an arduous request process. But Web Central facilitates the process with accessibility and readiness. Now, Lease Management can easily generate numerous accurate reports to calculate their project costs and payment history.

### **Meeting and Exceeding the Demands of IT**

Retaining separate systems for two management teams required SDG&E's IT department to support two virtual environments, which translated into more maintenance and ultimately more costs. Consolidation into one cohesive system drastically cut down on IT demands and reduced maintenance-based tasks. Web Central is now their main portal into the virtual database, and has the capability to serve as a filter checkpoint by only allowing designated users to view and modify the data that is important to them. From a logistics perspective, this now makes security protocols for networking, maintenance, and usage requirements simplified and much less demanding.

Much like the layers of musical voices in an orchestra that create one beautiful sound, a company's success these days is defined more by how many people are working in concert – creating awareness and effective communication that gets everyone to become accountable – while still providing individualized, unique ways of accomplishing day-to-day tasks.

Using IWMS can save time and money, as it is easily integrated with many powerful managerial systems and global mapping tools – such as ESRI and BIM, as well as many design applications and industry tools such as AutoCAD or REVIT. Simply put, while a company that can just “get by” is sufficient, a company that can forecast, plan, and cut costs is one that will have a significant competitive edge, and will ultimately secure its stability and success as future growth, change, and improvement is continually realized cost effectively.

### **Conclusion**

The reason SDG&E came to FMP is that they realized they could not effectively calculate the Total Cost of Operation for a single building. While their legacy system– a point solution system – had accurate data, the data was not relational within departments. The legacy system used by Lease management kept data redundant and siloed. FMP first looked at SDG&E's goals and objectives and created a partnership with them that turned into undertaking all of SDG&E's Lease Management data – analyzing and organizing it. FMP also took the opportunity to consolidate both Lease Management and Space Management data into one dynamic database. Having the live data in the dynamic database made all data relational between departments and accessible through a web-based, single technology solution. The ARCHIBUS application can then generate a multitude of reports, on demand, to aid in the calculation of Total Cost of Operation – SDGE's main goal.

The Bottom-line Improvements: SDG&E now has 1/10th fewer records to maintain and has significantly reduced the time needed invest in Lease Management processes and analysis. SDG&E now has the flexibility to effectively manage their space and leases, while concurrently budgeting for undoubted future growth. [NOTE: What would be nice here is



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a quote from an executive at SDG&E saying something like, “We knew we had to do something at SDG&E. Our legacy system was giving us signs every day that we were losing efficiency in our operations. FMP came in and delivered an IWMS solution that now has us steps ahead of where we thought we could be when it comes to calculating our Total Cost of Operation.”]

## About FMP and for More Information

FMP specializes in enterprise-wide consulting and data management solutions that allow our clients to gain control over their real estate and assets, helping them to make well-informed strategic decisions and lower operational costs. We offer our clients proven facility management best practices combined with innovative IWMS technologies. FMP leverages the ARCHIBUS® software to suit the wide variety of processes and tasks companies already have in place. ARCHIBUS is an industry-leading tool for those looking to leverage all of their company’s assets, and to effectively manage all facets of their operational process. In union with ARCHIBUS, FMP creates an information system to effectively handle the evolving workplace.

Let FMP provide the right systems consolidation tools to build cost containment and efficiency into your Lease Management process. To learn more about FMP’s solutions, please visit us at [www.fmpca.com](http://www.fmpca.com) or call 619.398.8963 or email: [info@fmpca.com](mailto:info@fmpca.com).

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