



Equal Partners

Customer and supplier alignment in office occupancy

A major study by



business VANTAGE
MAXIMISING BUSINESS POTENTIAL

Business Vantage has produced this report in association with research partners Ramidus Consulting. We acknowledge the help of all those involved in the project. Projects such as this are dependent for their success upon the generosity of companies and individuals who are prepared to give time and impart their first-hand experience and knowledge to the research team.

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Corporate clients

- Barclays Bank
- B&Q
- BBC
- BP
- Centrica
- Compass
- Computer Associates
- Deloitte
- Deutsche Bank
- Diageo
- Hammonds
- Kleinwort Benson
- KPMG
- Lafarge
- Linklaters
- London Borough of Ealing
- London Borough of Islington
- Office of Government Commerce
- Oracle
- Microsoft
- PricewaterhouseCoopers
- Royal Bank of Scotland
- Reuters
- Shell
- Standard Chartered Bank
- Telewest
- Thames Water
- Unilever
- Vodafone
- Walt Disney

Advisors and suppliers

- Atisreal
- Bovis Lend Lease
- DEGW
- DLA
- DTZ Tie Leung
- Faber Maunsell
- Faithful & Gould
- GVA Grimley
- HLW
- Inspace Environment
- Johnson Controls
- Jones Lang LaSalle
- King Sturge
- Land Securities Trillium
- Monterey
- Mowlem
- Pringle Brandon

Owners and developers

- Hermes
- Hines
- The Crown Estate

Representative bodies

- British Council for Offices
- British Institute of Facilities Management
- British Property Federation
- CoreNet Global UK
- Royal Institution of Chartered Surveyors

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Sponsors

- Atisreal
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- Broadway Malyan
- Faber Maunsell
- Johnson Controls
- Land Securities Trillium
- The Crown Estate

Steering Group

- Andrew Carter, CoreNet Global UK
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Contents

Contents	1
Foreward	2
Executive Summary	3
Introduction	5
The Business Context	6
The Property Agenda	8
Supply Chain	13
Actions – Towards a Reformed Supply Chain	17
Acknowledgements	20

Equal Partners is a study series originated and developed by Business Vantage Ltd. The aim of the studies is to understand customer and supplier alignment in specific markets and sectors.

This study concentrates on the customer and supplier relationship in commercial office occupancy.

Ian Selby, Research and Policy Director at the BCO and Andrew Carter, VP Learning at CoreNet actively supported the study as members of the steering group. The British Council for Offices, the British Property Federation and CoreNet have endorsed the findings of the study.

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Foreword

The Equal Partners research study concept evolved from a desire to understand how specific markets work, what drives the customer agenda and how well suppliers are aligned to the customer's needs and aspirations.

Equal Partners 1 and Equal Partners 2 focused on construction procurement in the private and public sectors respectively. The third Equal Partners report focuses on property occupancy.

In all three Equal Partners studies there are common threads; suppliers generally have only a superficial understanding of the customer needs and therefore are often working to the wrong agenda; poor communications in supplier organisations often cause the failure to meet customer expectations rather than the actual physical delivery of services.

It must also be said that customers are not always good at defining and communicating their objectives and therefore hamper the ability of supplier organisations to engage with them and their stakeholders.

As always, however, there are exemplary organisations who are far-sighted and who lead their sector and who deservedly reap the rewards.

I would like to thank those enlightened organisations that recognised the value of investing and supporting what we believe is a comprehensive study and insight into the needs of today's occupiers of office buildings.

Equal Partners 3 involved structured discussions with circa thirty major corporate occupiers, workshops with advisory and supplier organisations and feedback from relevant industry bodies. We are grateful for the time and commitment of all of those who participated in this process.

It is my hope that those involved in supplier organisations, who read and think about this report, are excited by the prospect and potential that exists by better understanding customers and aligning to their agenda and that customers rise to the challenge of engaging the suppliers in a more intelligent way to meet the changing needs of their businesses.



David Jennings

Managing Director
Business Vantage Ltd

Executive Summary

'Equal Partners 3 – Customer and supplier alignment in office occupancy': describes the pace, unpredictability and scale of change in business, as the greatest challenge facing any real estate executive.

The role model for today's business is fast, lean and agile. There is no room for systems that fail or processes that impede progress. Only now has the role of the workplace in business been recognised. An efficient and effective workplace is one capable of adapting to the changing objectives of the business.

The workplace affects staff satisfaction and therefore recruitment and retention. It is also a physical manifestation of an organisation's brand. Therefore, it is the responsibility of business-aware corporate real estate executives (CREs) to deliver workplaces that are symbiotic with the business.

The CRE's role will inevitably become more central to business planning, an integral part of the shifting business infrastructure, together with ICT, Human Resources and Finance. The new tools of the real estate executive are business tools: management information systems and key performance indicators. The CRE's role is more about work enablement and less about property.

A key question is how the supply chain copes with this new client. The research in this report suggests that the traditional property supply model fails to meet today's business agenda. Slow, ineffective and fragmented, it remains stuck in the language of *asset* rather than *commodity*.

Few truly effective relationships between the supply chain and its clients were identified, although new, flexible and value-added lease products indicate a willingness by owners to adapt and enter into debate about changes. Still, the satisfaction gap is widening. Quite simply, the supply chain is unable to keep up with the pace of change for corporate real estate requirements. This means that CREs are looking for products that do not yet exist. There are many opportunities for suppliers to innovate and take the risk of bringing new products to the market.

**CRE – throughout this report we refer to the "Corporate Real Estate Executive" – this is a commonly used term referring to the individual in a corporate occupier organisation responsible for property provision.*



The Big Messages

Different worlds	Clients are living in a new world; property supply is living in the old one.
Change	The speed and unpredictable nature of change is having a profound impact.
Simplification	Simplified clients do not need complicated supply chains.
Commodities	With simplification, advice and services become more commoditised.
The new CRE	The real estate role is less about property, and more about work enablement.
Outsourcing	More property services are being outsourced and integrated externally.
People power	Integrated resource management reflects the growing recognition of the importance of people to business success.
New workplace	New approaches to occupancy mean structural changes in demand.
New skills	The new approaches to space use require new CRE skills.
Rise of FM	The shift to "people power" in the workplace will raise the profile of FM.
Branding	The workplace becomes an expression of the brand.
Information	Information requirements are changing as a result of the speed of change.
Disconnect	The supply chain shows a superficial appreciation of the link between the business agenda and the need for real estate.
The gap	A gap is opening up between the CRE and the property supply chain.
Owners	Owners are working to an agenda irreconcilable with that of their occupiers.
Advisors	Levels of satisfaction with the advisory sector are generally low.
Providers	Providers are viewed with a higher satisfaction than owners and advisors.

Introduction

Equal Partners is the third in a series of studies examining the relationship between customers and their supply chain. This study focuses on this relationship in the commercial property sector. The aim is to understand how well suppliers are aligned to their customers, identify gaps between expectation and delivery and outline the changes needed to generate more productive relationships.

Equal Partners takes a holistic perspective by investigating:

- The drivers of change in client businesses
- How these drivers impact on the property agenda
- What resulting demands are placed on the workplace
- How the property supply chain delivers against the property agenda

Methodology

This qualitative research study is based on the opinions of over 50 senior executives. Its cornerstone was in-depth interviews with 30 senior corporate real estate executives (CREs), responsible for over two million square metres of office accommodation in the UK.

Companies chosen represent a range of client types in the private and public sectors and have broad experience of the property supply chain.

To ensure a balanced perspective, supplier organisations were also interviewed, including:

- Advisors – surveyors, lawyers, designers and management consultants
- Facilities management
- Owners and developers
- Representative bodies

Two workshops were held with property supply chain representatives to examine:

- Supplier perspectives on their relationship with clients
- Supplier responses to changing client agendas
- Supplier performance and areas for improvement

Supporting this research was a comprehensive review of recent studies and related literature. A Steering Group of industry experts provided valuable input and reactions on the findings.

The Business Context

Background

The relationship between occupiers and the property supply chain has evolved in response to a series of shifts, from the office space surpluses and effects of recession in the early-1990s, to the changes in business driven by technology, globalisation and competition, and moves towards outsourcing. As occupiers struggle to align their property to a rapidly changing business landscape, some progressive suppliers have begun to change their offers.

Although alignment between property and business is a fundamental requirement, a large number of organisations find their legacy property acting as an impediment to achieving business agility. The study explored the challenges that businesses face and how these affect property and accommodation requirements. The common themes are outlined here.

Managing change

The study confirmed widely held views about the underlying volatility of business. Pressure of change is profound today, even in relatively mature industries. It found that change is unpredictable, urgent, widespread and creates a need to simplify systems and processes to support rapid responses.

"The next three years will be a period of utter change."

"The market is changing so fast. We're expanding in emerging markets and adapting in mature ones."

Unpredictability is characterised by high levels of merger and acquisition activity, significant changes in business direction, and the rapid introduction of new products and services. In terms of greater urgency, several of those surveyed revealed that they now work in business environments with one-year planning horizons – and even 90-day review periods. Decisions on real estate therefore have to be accurate, relevant and timely.

Change is increasingly widespread across entire organisations as a means to overhaul internal processes, change culture, re-focus on customers and reduce the cost base. Often driven from the top, it cascades through operating divisions and support functions and includes an expectation of reduced real estate costs and improved levels of facilities services.

Simplified systems and processes in real estate are seen as essential to support a rapid response to the changing needs of the business. Simplified contract platforms and the consolidation of facilities and estate management activities into fewer, more integrated contracts are two of the ways respondents said that they were meeting this requirement.

Brand management

The workplace is increasingly being used to reflect what an organisation is and how it thinks about itself. Several interviewees referred to branding issues when describing the business context to their real estate planning. It impacts on CSR and recruitment as well as reinforcing products and brands to customers, new markets and an increasingly dispersed workforce.



The talent war

A number of organisations interviewed in the study referred to a 'talent war'. People are increasingly regarded not as an asset but as THE asset. There is intense competition to attract and retain the calibre of staff needed to compete and grow. Younger entrants to the workplace are much more demanding. They expect 'more buzz' and 'more fun and excitement' in the workplace and also demand greater environmental responsibility. For some businesses, this means ensuring that they offer the same conditions as their competitors, for others it meant going one step further.

"We need better people, therefore we need better buildings."

"I wouldn't work there, so why should my people?"

Compliance and accountability

New compliance regimes demand greater transparency in corporate decision-making and accountability for those decisions. The implications for real estate are only just beginning to become clear. The study found several companies are now investing considerable resource in establishing processes and systems to deal with information requirements and reporting procedures.

Interviewees noted that the availability of better management information creates greater transparency in the supply chain and more performance measurement that can be used internally as well as to assess the quality of external providers and advisors. Several described internal performance contracts with the business and how support units were being challenged on the question of value.

Some referred to a conflict between compliance and speed in business, which encourages an 80/20 culture, whereby decisions have to be based on most, but not all, information.

"Governance is taken much more seriously now."

Business and cost drivers

With only a few exceptions, cost reduction and the need to drive out inefficiencies in systems and processes are critical to organisations involved in this study.

Many have already gone undergone frequent and thorough cost-cutting exercises and a more radical approach is the next step. This includes shared service centres, outsourcing and off-shoring. The property savings are small but the gains made from headcount changes and increased productivity can be significant.

"We have to do more business in an exponentially cheaper way."

"Cost remains the predominant driver. Lower rent is necessary but not sufficient."

The Property Agenda

The study highlighted the direct link between business drivers and property needs. Every issue examined in the Business Context has an impact on the workplace.

A property services agenda aligned to business change is essential to business success. Our interviewees reinforced the importance of closer working relationships with other corporate resources, in particular, Finance, ICT and Human Resources.

Strategic planning

There is plenty of evidence in the study that CREs are striving towards property strategies that support a lean and agile business. For example, several distinguish between the static, predictable element of their property, where the emphasis is on driving out cost to deliver a 'lean' solution and the more dynamic and unpredictable element where the primary aim is to be responsive and flexible, or 'agile'.

One of the key facts to emerge was that most CREs work to very short time horizons set by business planning cycles and a rapidly moving environment. One-year plans were common. Most real estate teams, however, are also working towards longer-term goals in their strategies for simplification, cost reduction, compliance, efficiency and management information systems. A number of interviewees described difficulties in dealing with multiple brands within a single organisation. Others explained that priority is given to business continuity, finding or adding value and co-operation with other resource areas, primarily HR, ICT and Finance.

"We try to anticipate, but there is a lot of crisis management."

"The business is intolerant of business interruption."

Connection to the business

The occupiers who were interviewed for the study viewed their roles in a number of ways. Some said they "owned the relationship" with the business; others saw their role "as a challenge to the business".

CREs need to have a deep understanding of their businesses and understand the context in which real estate has to function and deliver. A 'sixth sense' is needed to interpret and quickly assess needs and challenge the often-conflicting demands of the business.

More and more CRE teams now act in an 'intelligent client' role, relying on larger, external teams of advisors and providers. This introduces challenges if the internal team is reduced in size as a result. In some cases, CREs act as 'gatekeepers' by filtering contact between the business units within their organisation and the supply chain.

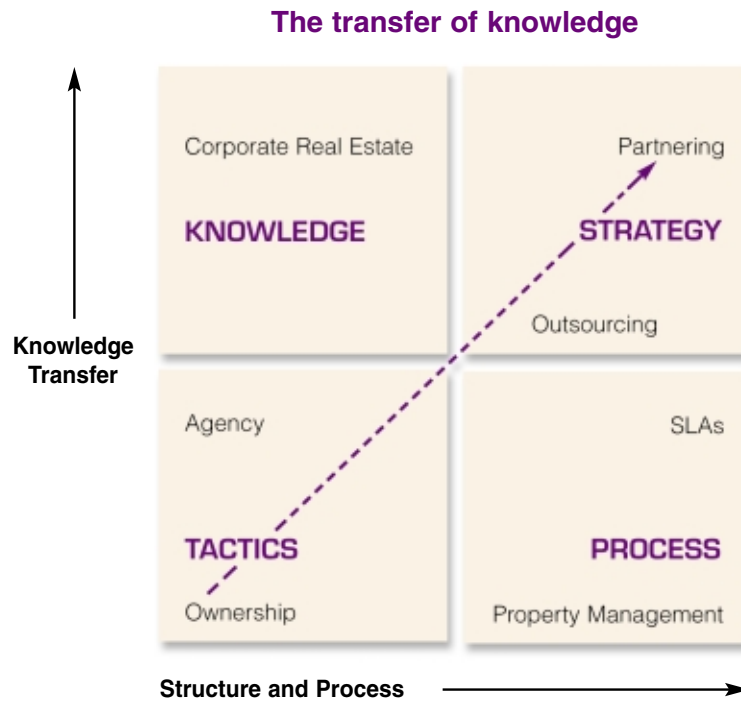
"My job is to look up into the business rather than down into the supply chain."

"It's no good having property people with only process skills. We need intelligent thought."

Innovation

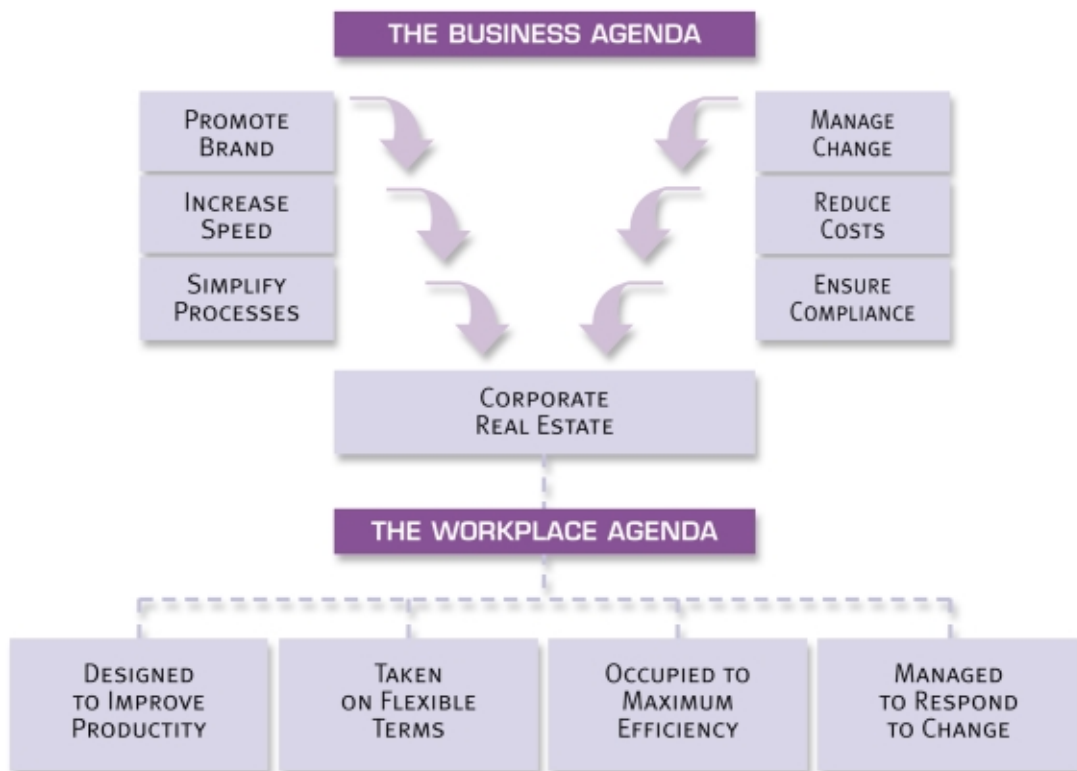
A number of companies interviewed said that integrating aspects of the property supply chain was a key target for innovation. They were looking for a package of advice and FM. Others commented that opportunities for feedback between occupation and new building procurement were negligible – and in conflict with their ambition to manage the whole property lifecycle more effectively. One company said it has appointed an innovation manager to promote a "culture of innovation".

The depth of innovation in the supply chain varies and is partly related to the cultural and historical nature of relationships. The diagram shows the wide variation in knowledge transfer and structure and process in different parts of the supply chain. Thus, there is very little knowledge transfer between owners and occupiers and neither do owners demonstrate a high level of structure and process in their activities.



The translation role

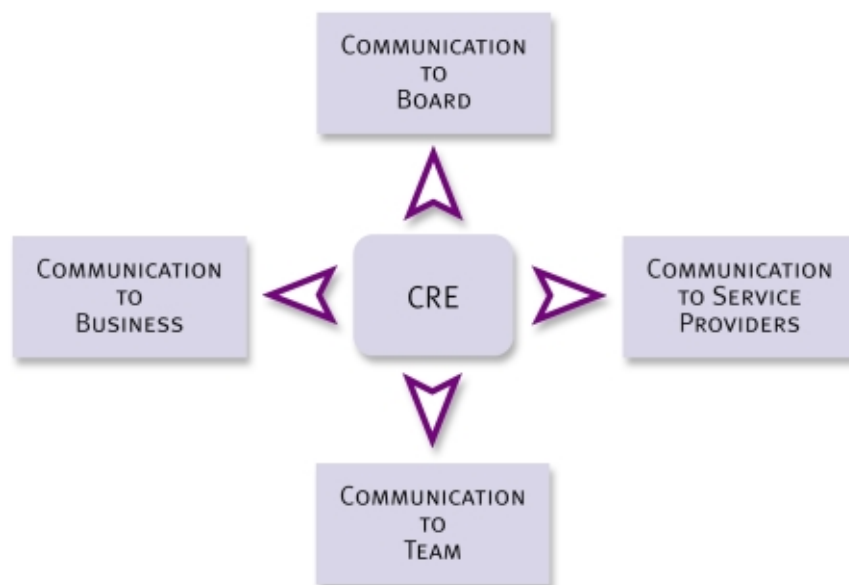
In many cases, CREs act as translators between the business and the property supply chain. They are a single point of contact for internal business units and interface with the corporate board. Externally, CREs are looking to simplify the communication process. In effect, CREs are performing the role of the *intelligent client*.



Reporting lines

The study found that the visibility of CREs within their companies was generally high, albeit with a wide variety of reporting lines and job titles. In most cases, it was clear that property was recognised at a senior level for its impact on the business.

CREs must communicate in at least four different directions which often means dealing with and resolving conflicting demands:



The new CRE manager

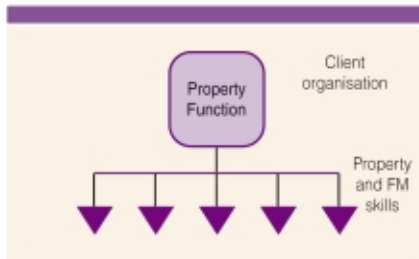
CREs are under pressure to demonstrate the value that they add to their businesses. Their roles continue to evolve. The new agenda is about work enablement rather than simply property provision. The new CRE needs business skills, sophisticated management and leadership skills and the ability to deal with the external supply chain as well as manage internal relationships.

The study identifies three stages in the evolution of CRE teams:

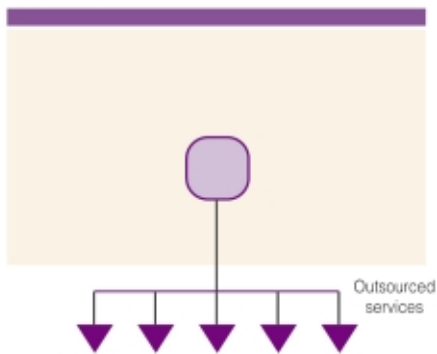
- The fragmented model up to the early-1990s
- The lean and agile model of the late-1990s
- The integrated infrastructure model of the future

The changing organisation of CRE

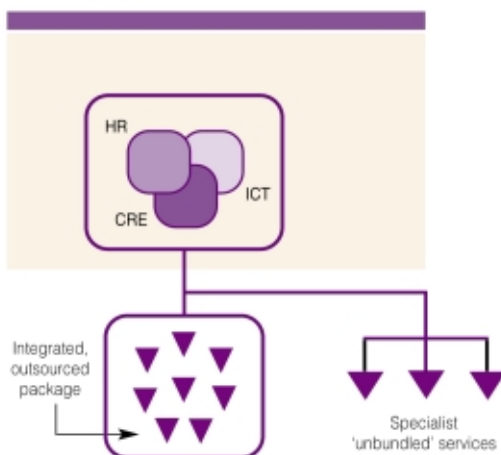
(1) Yesterday



(2) Today



(3) Tomorrow



The Fragmented Model

- Large(ish) in-house team with specialist skills providing a full service capability.
- External contracts for construction, fit-out, FM service delivery.
- Separate "Estates" and "FM" roles within the "Property" function.
- Property function working in a silo.
- Struggling for corporate recognition.

The Lean and Agile Model

- Smaller in-house team, acting in the role of intelligent client.
- Property and FM services outsourced.
- Outsourcing of services separately (albeit some bundling of FM).
- "Estates" and "FM" functions integrated as a single CRE function.
- CRE performing "intelligent client" role, and reporting to Board level.

The Integrated Infrastructure Model

- In-house CRE team integrated or working in partnership with HR and ICT.
- All three reporting to "infrastructure" or "business resource" manager.
- External providers integrated into full property and facilities service.
- Use of some individual specialists for areas such as rating, corporate finance, etc.
- Property Partners – providing flexible space solutions

Supply Chain

The supply chain, in general, does not fully satisfy the needs of its customer base.

The study found that the supply chain, in its present form, is poorly equipped to respond to the rapidly changing business environment. It is considered to be reactive and not innovative.

The three strands of the supply chain – owners, advisors and providers – offer oases of excellence but on the whole are working in an environment that does not readily accommodate change and innovation.

Clients themselves were not found to be blameless. It was generally acknowledged that they instinctively drive down fees and that there is scope to improve the briefing process. There is often confusion about where blame rests and one CRE referred to the "circle of blame".

"We don't articulate what we want. But they don't ask. We should push, they should pull."

The perspective on owners

The study clearly demonstrated a sense of distance between occupiers and owners – a fundamental difference in outlook and culture, priorities and attitude. A sense of resigned acceptance of the status quo was evident, where the owners' agenda was accepted as fixed and not likely to change. The depth of tensions between landlords and tenants was surprising.

"The only time they're interested is when there is an issue of asset erosion or improvement."

Praise was given to enlightened owners who had begun to offer new products, namely Brixton, Grosvenor, Land Securities Trillium and Prudential.


However, frustration and disappointment was expressed with the majority of owners. This was based on an inability to sustain long-term customer-supplier relationships, leading to a "them and us" situation. The over-riding view in the survey was that owners rely far too heavily on third parties to communicate with their customers.

"Landlords could get a lot more out of their buildings with more customer orientation."

It was generally agreed that there will always be obstacles to the relationship between owners and occupiers. CREs also felt that owners rely too much on third parties to communicate with their customers.

Occupiers regarded owners as having three key roles: developer, manager and investor. Some wear all three hats. It was felt that owner developers do attempt to understand the operational attributes of organisations and do consider how these should be reflected in building design, particularly in terms of business continuity and critical operations.

"Developers and the business do not speak the same language."



Owner managers were the cause of frustration for occupiers when they were insensitive to their business needs, for example, in giving consent to assign or sub-let. In general, owner managers were urged to sharpen up their act.

The greatest source of frustration comes with owners are investors who are focused on the security of their investment and minimising risk. However, there are cases of investors working on ways to enhance customer loyalty and retention rather than 'bang them (tenants) up for as long as possible and leave them to fester".

Some owners have begun to examine the potential for customer service to create a new form of secure income and some have already established an infrastructure to deliver this. It is clear that enlightened owners who listen to their customers will benefit from opportunities for income growth. A significant message to emerge is that they are not necessarily looking for traditional property advisors to help them. There is therefore a real threat that larger property owners may import skills from outside the property industry.

The perspective on advisors

It was very clear from our discussions that the most successful advisors are those who have strong individual relationships with their clients.

"It's a people business."

One of the strongest themes in the discussions was the fact that occupiers employ individuals, not firms. It was also confirmed that clients receive a better level of service when they represent big accounts for their advisors. This fact was widely recognised and influenced occupiers in their choice of advisors.

Advisors managed to satisfy their clients better than owners but again, praise and criticism from occupiers was given in equal measure in the study. The study found that a balance is needed. If occupiers want the benefit of more input, innovation and support, they need to procure services in a more enlightened way.


"The need for business understanding can go too far. We are not psychologists."

Technical expertise is taken as 'a given' for traditional property advisory functions such as acquisition and disposal, rating, valuation and so on but CREs frequently turn to management consultants for strategic advice.

There is an opportunity for the supply chain to innovate in this area. Advisors emphasised that genuine strategic advice comes at a cost and can only be purchased effectively by a CRE who distinguishes between cost and value.

The role, attitude and influence of the CRE is critical in determining how the client/advisor relationship can develop. Advisors described the need for an 'open' client and a realistic commercial agreement. In general, advisors felt that clients with confidence are more likely to forge a trusted relationship, while others tend to act as 'gatekeepers' and keep their advisors at a distance from the business.

Both sides acknowledged that direct contact between the business unit heads and suppliers presents a danger of reacting impulsively to an immediate and unplanned need and thereby agreeing to an unnecessarily onerous or costly commitment.



Again both advisors and clients believed that the cheapest fee does not necessarily buy the best advice and yet there was a perception that appointment decisions were often made on cost grounds alone, driven by a procurement team.

The study found evidence that some advisors have introduced process to the management of their own business. Examples included key account management programmes. There is a financial threshold above which such levels of service become viable.

A number of the clients in our survey recognised the positive contribution that the growth of specialist interior design skills had made to the supply chain. Because their focus is on the interior design work environment, they are seen to be more closely aligned to business needs than traditional design firms.

The perspective on providers

Discussions on facilities and workplace planning generated conflicting views. On the one hand FM providers were applauded for introducing process and measurement and yet, on the other hand, they were seen as "tactical" and not connected to the broader agenda of workplace change

Despite this latter perception, the workplace is subtly moving up the corporate agenda because of its link to productivity, profitability and performance. This holds the key to a potential wholesale shift in the perceived role of FM as "providers of the workplace".

"FM holds the key to the whole kit and caboodle."

Indeed, there was some evidence from the study that this change in the perception of FM is already underway. The role is evolving from its traditional "brass and boilers" image to a more sophisticated and business-critical service.

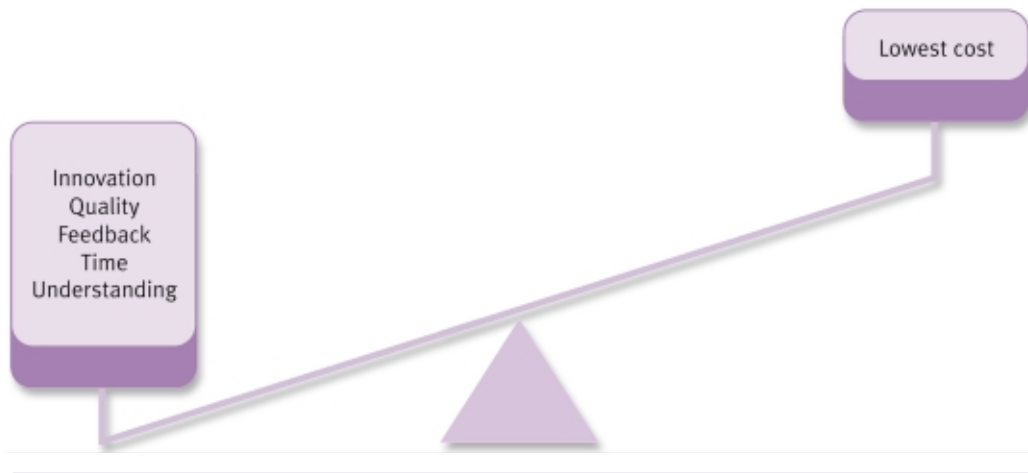
Image makeover One of the biggest opportunities open to facilities providers is in redefining their image. They can evolve from being task-oriented to taking on a more strategic role. It was felt that the more facilities providers were integrated into an organisation, the further up the internal client hierarchy they sat. Ultimately, as in the case of one respondent, this had led to the employment of an 'infrastructure manager'.

Views were also expressed on the need for formal accreditation and qualifications to promote career development in facilities management. Facilities providers are keen to introduce hurdles to entry in order to ensure they operate to recognised standards of service.

Price pressure There is also acknowledgement that the facilities industry is forced to compete on price. There is concern about providers who "over-promise and then disappoint" and about "the price of re-bidding and losing" contracts. The bidding process to win contracts – including e-auctions – was regarded as expensive and time-consuming by facilities providers, with the price of re-bidding and losing described as "horrendous". The power of the procurement function was a recurring theme in discussions with facilities providers, who felt constrained in the service they could afford to provide.

"FM is most successful when the business operates without hindrance."

“A consistent view in the study, from both FM providers and some of their clients, is that the cost and value question was generally out of balance. Clients are making unreasonable demands but are not prepared to pay for them. The right balance is critical to achieving sustainable relationships.”



“We’ve been down the cheapest route which was not satisfactory. It’s partly about cost and largely about being very clear about what we want.”

Greater innovation

As a result of bidding on the basis of price, innovation in service provision typically only happens at the tender stage and not through the life of the contract. This is blamed on the low margins at which providers have to operate. It was clear from the survey that occupiers want innovation and providers are frustrated at not being able to deliver it.

Positive relationships

Facilities providers in general generate a positive response from occupiers, who admire their ability to work as partners. Most of the criticism of providers came from within the supplier organisations themselves, reflecting a desire to take on a more influential role in the supply chain.

Targets and performance

Facilities providers prefer to work under output rather than input contracts, which specify expected standards. This allows greater flexibility to exercise their professional judgement on how to allocate resources and enables providers to measure performance improvements.

“The FM market is ahead of the CRE market – it is more comfortable with measuring and reporting performance.”

An area where occupiers and suppliers can work together to improve processes is in setting targets. Performance targets have to be drafted carefully and it must be possible to adjust and improve them throughout the duration of a contract. This can be achieved by holding regular review meetings.

Actions – Towards a Reformed Supply Chain

A very clear story emerged from the study: the property supply chain is in need of reform.

The pace, unpredictability and scale of change which pervades business today means that there is no room for systems that fail, or processes that impede progress. At the same time, the recruitment and retention of a highly effective workforce to deliver business success is a critical factor. Only recently has the role of the workplace in these dynamics been truly acknowledged. An efficient and effective workplace is one that adapts to the changing objectives of the business. It is inextricably linked with staff satisfaction and therefore, recruitment and retention. It is able to accommodate flexible working patterns, and it is an enabler of change.

So, how well is the supply chain equipped to serve these demands? The research suggests that the traditional property supply model is failing to meet today's business agenda. Its slow long-term outlook conflicts with rapidly changing business, and it remains stuck in the language of asset rather than commodity. There are exceptions and these are notable, but the satisfaction gap is widening. Occupiers also carry some responsibility for the gap; more enlightened procurement models are required.

The prime reason for the widening satisfaction gap seems to be that the pace of change for the CRE is outstripping the response of the supply chain. Thus CREs are looking for products and services that are not yet common currency. Evolution may close the gap in the long run but until then, there are many opportunities for suppliers who are willing to make step changes, to innovate and to take the risk in bringing new products to the market that meets the needs of CRE.

Equally, it has to be said that this reform has much to do with changing cultures and attitudes and the way in which products are offered and managed as it does with practical real estate solutions. Customers and suppliers need to engage, to better understand each other's needs and perspectives and to develop more productive relationships.

As this report highlights, to facilitate this change and drive better solutions both 'customers' and 'suppliers' need to develop a more open dialogue.

A theme running through the actions recommended in the study is the need for cultural change – in perceptions, outlook and mindsets. The study highlights the need to make a transition from a property-centric to a business-centric view. It provides the following action plans:

THE ACTION PLAN – OCCUPIERS

Leadership	CREs must define and reposition their role. Representative bodies, such as CoreNet, RICS and BIFM should engage with, and possibly lead, this initiative.
Skill needs	Representative bodies should look at the education process to ensure that the CRE has the appropriate skills to deal with the new agenda.
Briefing	CREs need to invest more time in briefing and monitoring performance of the supply chain.
Involvement	CREs should involve their advisors before a solution has been defined.
Measurement	CREs need to introduce more measurement techniques into their contracts.
Owners' charter	CREs should lobby for an Owners' Charter.

THE ACTION PLAN – OWNERS

Relationships	Owners must embrace relationship management in their portfolios.
Value	Owners must find a way to quantify the value of customer satisfaction and occupier retention
Service	Owners should work with property managers and other parts of the supply chain to introduce a service culture.
Brand	Owners have an opportunity to create a customer service led brand or product.

THE ACTION PLAN – ADVISORS & PROVIDERS

Innovation	Share basic market information and invest resource in innovation.
Understand	Understand the clients' business and operational issues, where to add value and where to improve efficiency.
Skills	Review team skills and differentiate through quality, experience and skills.
Simplify	Look at ways to simplify procurement to make it more responsive and open.
Performance	Monitor and review performance with clients; identify and agree areas for improvement to build sustainable relationships.
Service	Embrace customer service on their clients' account.
Role	Examine the consequences of combining transaction and brokerage services in a single entity and consider the merits of separate vehicles.
Professionalism	Do not underestimate the value of good professional and technical advice.

THE ACTION PLAN – EVERYONE

New world	Acknowledge a new business environment and culture.
Simplify	Aim for greater simplification.
Dialogue	Enter into regular and constructive dialogue.
Innovate	Invest in innovation.
Benchmark	Share views on performance and customer satisfaction.
Lead	Look for leadership in directing the process of change.



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Interviewees

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"The results of the study by Business Vantage are very enlightening and has revealed some new and interesting thinking that owners and occupiers engaged in the office property market would do well to heed."

Roger Bright, Chief Executive, The Crown Estate



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