



REIMAGINE
REORIENT REIGNITE REINVENT

ORLANDO

CoreNet Global Summit
7-9 October 2012

 #CNGOrlando

SPP Community Connection

SPEAKERS:

Robert Schuur, *Southern California Edison*

Peggy Withrow, *Integrated Workplace Strategy*

Research Task Force Leaders:

Charemon Tovar, *CBRE*

Christelle Bron, *Studley*

Gail Crowder, *Avison Young*

Optimizing Capital: Jane Mather, *Critical Core*

NY Chapter: Barry Alton, *Jeffries & Co*

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PLANNING COMMUNITY




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Welcome!



- Welcome! Speaker Introductions
- Getting Acquainted with Attendees
 1. *Have you helped yourself to refreshments?*
 2. *Who's a current member of SPP?*
 3. *Who is an End User?*
 4. *Who is a Service Provider?*
 5. *Does anyone have some burning issue or question they would like addressed at today's meeting?*

Agenda



- SPP Overview
- Past Accomplishments
- SPP 2012 - 2013 Program
- How to Join and Support SPP
- Road Map Going Forward
- Q & A

SPP Mission



- **Mission:** to provide a collaborative environment for knowledge sharing for CRE Strategy & Portfolio Planning
- **Goal:** to gather, share and advance best practices in the field of SPP
- **Objectives:**
 - define the overall domain
 - research or collaborative interaction
 - become the meeting place (in person or on-line) for SME's to share their experiences and best practices

SPP Purpose



- **Communicate / Collaborate / Advocate**
 - Challenges, Peer-to-peer forum, Industry point-of-view
 - Networking and career advancement opportunities.
 - Integration with other complimentary disciplines within CNG
- **Educate / Inform**
 - Baseline body of knowledge and definitions
 - Current issues, Information and resource repository
 - CNG Summit content and EDP course curricula
- **Advance / Explore / Research**
 - Drive research agenda and organize efforts
 - Identify, organize, share best practices and tools



How we Communicate



- Participate in a Summit
- Direct education within chapters
- Monthly Newsletter
- Webinars
- White Papers
- The Leader
- Email Blast Lists
- Social Media



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SPP Benefits



- **Networking**
 - Within SPP & the broader CoreNet community
- **Knowledge**
 - Community of experts
 - Create & learn
- **Recognition**
 - CoreNet audience nationally & internationally
- **Resources**
 - SPP community
 - CoreNet globally



SPP Accomplishments



• Membership

- SPP E-Mail List (377), LinkedIn (722), Summit Registration

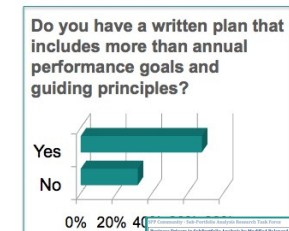


• Research Task Force Activities

- **Research Task Forces** – regular opportunities for discussion and research: Optimizing Capital, SPP Technology, Benchmarking Strategic Planning, SubPortfolio Analysis
- **Lease Accounting Changes:** summit sessions, webinars, contributed to 700 corporate letters to FASB/IFRS, MCS Award for Component Best Practice
- **SPP Surveys:** SPP Technology (referenced at RealComm); Money Talks; Benchmarking Strategic Planning
- **Best Practices:** Business Driver Matrix for Portfolio Planning (referenced in SLCR class); SPP Fundamental Components (in process)
- **Leader Publications:** Navigating the Lease Accounting Standards Maze



FINANCIAL ACCOUNTING
STANDARDS BOARD



Component	Business Unit	Strategic Plan	Financial Plan	Capital Plan	Operating Plan	Human Resources Plan	Information Technology Plan	Environmental Plan	Other
Component 1	Business Unit 1	Strategic Plan 1	Financial Plan 1	Capital Plan 1	Operating Plan 1	Human Resources Plan 1	Information Technology Plan 1	Environmental Plan 1	Other 1
Component 2	Business Unit 2	Strategic Plan 2	Financial Plan 2	Capital Plan 2	Operating Plan 2	Human Resources Plan 2	Information Technology Plan 2	Environmental Plan 2	Other 2
Component 3	Business Unit 3	Strategic Plan 3	Financial Plan 3	Capital Plan 3	Operating Plan 3	Human Resources Plan 3	Information Technology Plan 3	Environmental Plan 3	Other 3
Component 4	Business Unit 4	Strategic Plan 4	Financial Plan 4	Capital Plan 4	Operating Plan 4	Human Resources Plan 4	Information Technology Plan 4	Environmental Plan 4	Other 4
Component 5	Business Unit 5	Strategic Plan 5	Financial Plan 5	Capital Plan 5	Operating Plan 5	Human Resources Plan 5	Information Technology Plan 5	Environmental Plan 5	Other 5

• Summit and Chapter Events

- **Summit Presentations** – Multiple NA and International
- **Chapter Activities** (NYC): Capital Markets Panel, SPP Roundtables, Materials in “Component Leadership Toolkit”



SPP Task Force Updates



- **Technology**
 - Charemon Tovar, *CBRE / Sprint*
- **Sub-Portfolio Planning**
 - Christelle Bron, *Studley*
- **Benchmarking Strategic Planning**
 - Gail Crowder, *Avison Young*
- **Optimizing Capital**
 - Jane Mather, *Critical Core*
- **NY Chapter Best Practices**
 - Barry Alton, *Jeffries & Co.*
- **Big Data & Analytics**
 - Peggy Withrow, *Integrated Workplace Strategies*



Technology Research Task Force Roadmap 2012



Task Force Charter

- Develop research goals for strategic planning technologies
- Organize and execute research approach and method
- Identify, codify and share findings, best practices and tools
- Recruit members!

2012 – 2013 Goals/Objectives

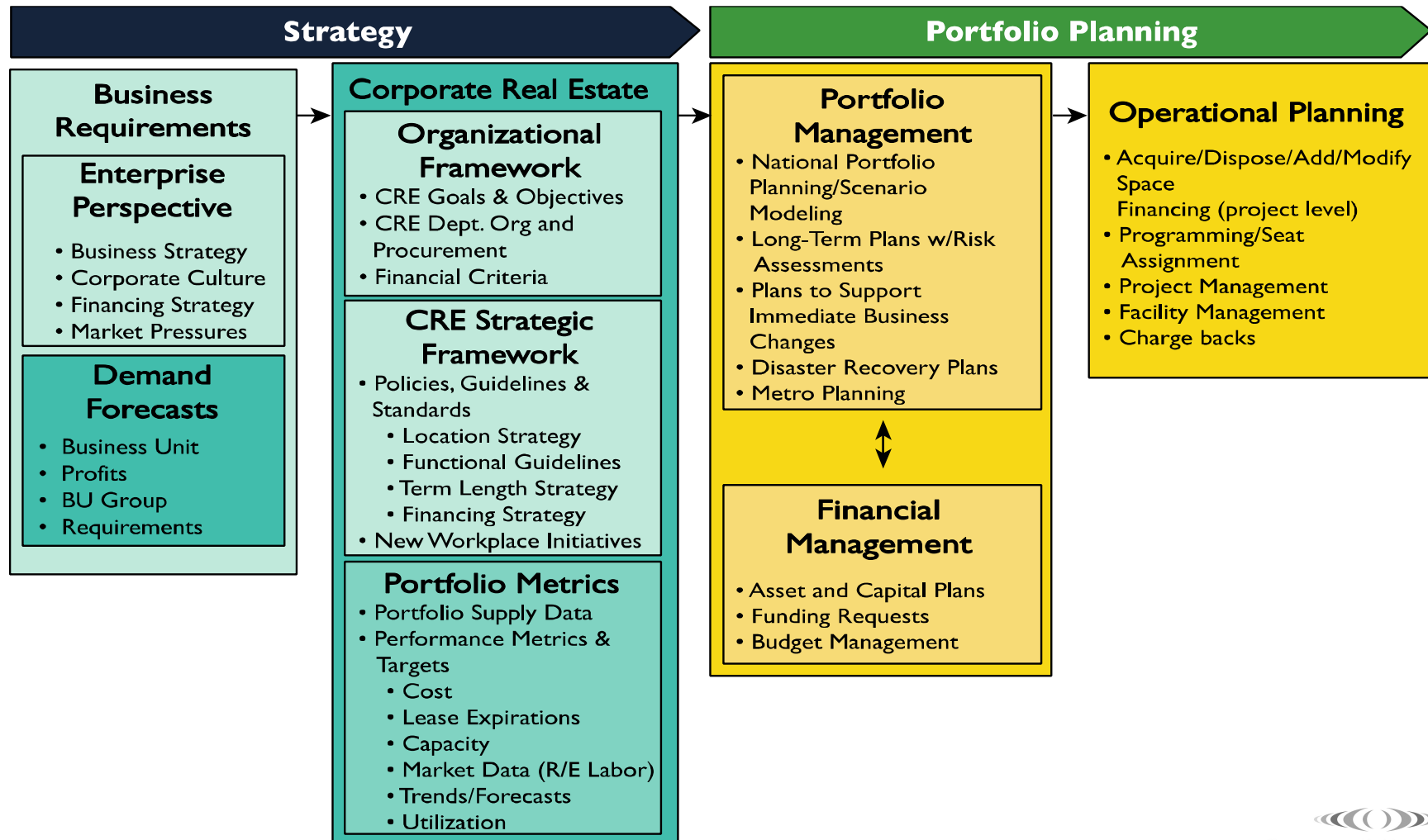
- **1Q/2Q:** Created case studies identifying the basic data elements that participating companies consider “required” to perform strategic planning today. From this, a survey and definitions for these elements were developed.
- **3Q/4Q:** The team will be sending the survey out and analyzing results. Definitions will be validated among the community. Share the results of these with the SPP community and CoreNet membership.
- **2013:** Invite participants to begin sharing examples, discuss the gaps/results and identify options to resolve. Share results via presentation or webinar.



Charemon Tovar, *CBRE*


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What is Strategy and Portfolio Planning? Work Flow - Version 1.0



What are “Required” Data Elements for Strategic Planning?



2. Enterprise Level Strategic Drivers

	In Strategic Plan?		Level of Importance				
2.0 Business Strategy	Yes	No	1	2	3	4	5
2.1 Corporate Culture	Yes	No	1	2	3	4	5
2.2 Financial Strategy	Yes	No	1	2	3	4	5
2.3 Market Pressures, Labor costs/Rent costs	Yes	No	1	2	3	4	5

3. Business Unit Strategy

	In Strategic Plan?		Level of Importance				
3.0 Business Unit Profiles	Yes	No	1	2	3	4	5
3.1 Adjacency Analysis	Yes	No	1	2	3	4	5
3.2 Demand Forecasts	Yes	No	1	2	3	4	5
3.3 Business Unit “Independence” (e.g. refusal to align with portfolio strategy)	Yes	No	1	2	3	4	5

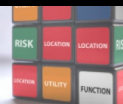
Real Estate Strategy Content & Drivers

Level of Importance:

- 1 Not Important, never considered
- 2 Low Importance
- 3 Medium Importance
- 4 High Importance
- 5 Absolutely Critical, always included

4. Corporate Real Estate

	In Strategic Plan?		Level of Importance				
4.0 CRE Goals & Objectives	Yes	No	1	2	3	4	5
4.1 CRE Department: how it is organized and supports the company	Yes	No	1	2	3	4	5
4.2 Financial Criteria	Yes	No	1	2	3	4	5
4.3 Risk Mitigation	Yes	No	1	2	3	4	5
4.4 Chargeback Strategy	Yes	No	1	2	3	4	5
4.5 Technology Support	Yes	No	1	2	3	4	5
4.6 Classification strategy for properties	Yes	No	1	2	3	4	5
4.7 Location Strategy	Yes	No	1	2	3	4	5
4.8 Functional Guidelines, Space Standards	Yes	No	1	2	3	4	5



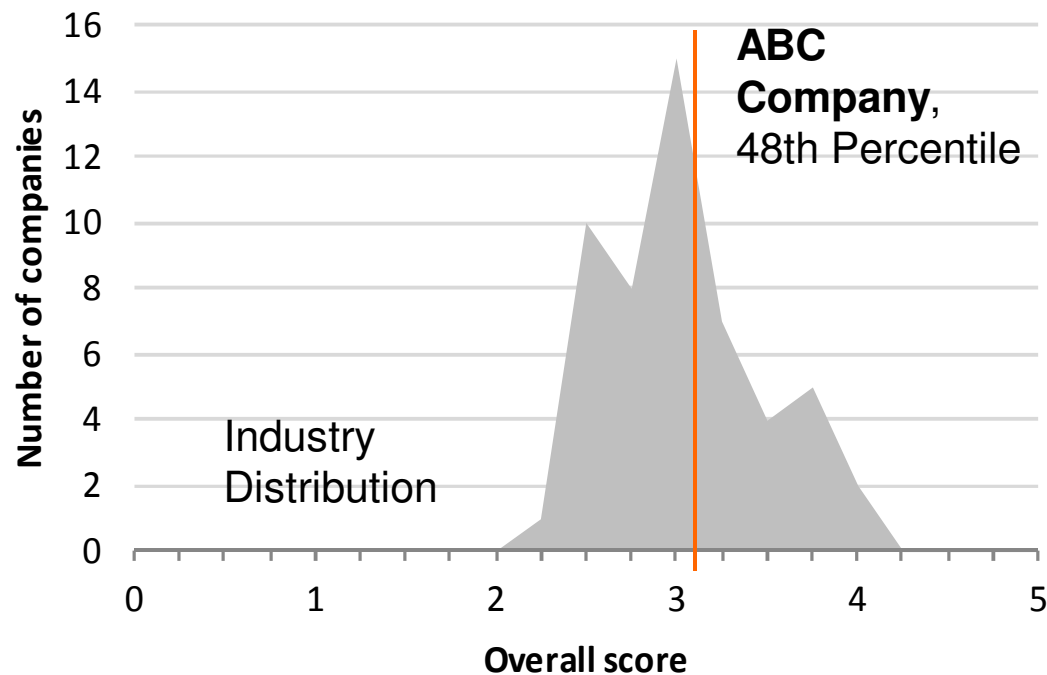
SPP Sub-Portfolio Planning

Strategic Planning Maturity Test



What is it? The “Strategic Planning Maturity Test” will be an online test that will allow CoreNet members to assess their strategic planning capabilities

Compare your maturity score against your peers...



SPP Sub-Portfolio Planning

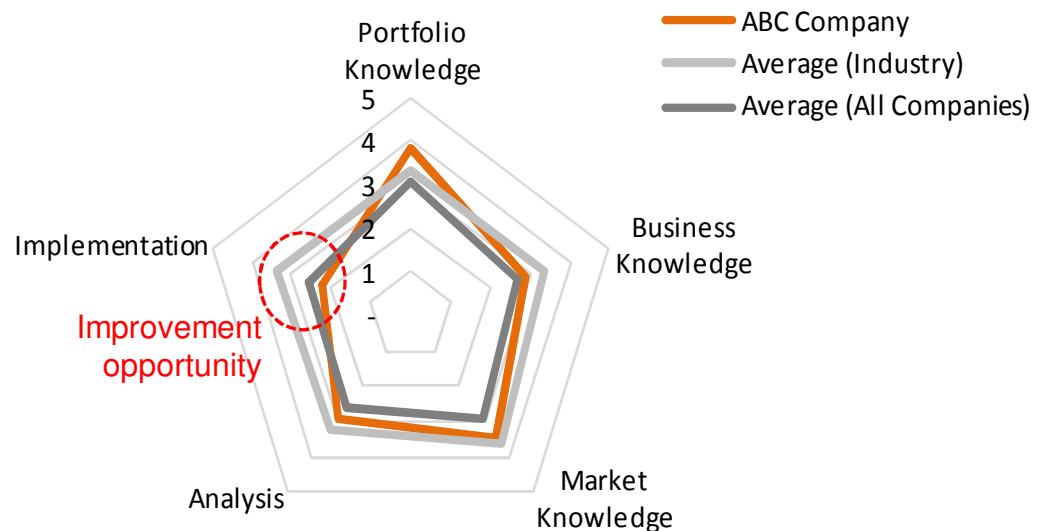
Strategic Planning Maturity Test



Benefits to the SPP Community

- Compare your maturity score against peers and against the RE industry at large
- Understand where and how you can improve your strategic planning process
- The data collected in this process will enable us to report back to the SPP community on:
 - Leading practices
 - Key challenges faced
 - Key trends by: size, industry, etc.
 - Where companies are investing, and what functions are being improved year over year

Drill down to the functional level to understand where you can improve...



When will it be on line? We are targeting Q1 2013



Christelle Bron, *Studley*

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SPP Benchmarking Taskforce



Looking Back



Surveys Completed

- New York
- No. California
- Chicago
- SPP End Users
- Atlanta
- Carolinas

Chapter / Group	End-User E-mails	Visits	Complete Responses
New York	219	21	12
No. California	259	32	18
Chicago	116	22	12
SPP End Users	78	8	4
Atlanta	94	29	20
Carolinas	86	19	10
TOTALS	852	131	76
REVIEW			
% Completed by Visitors			58%
% Visited			15%
% Completed			9%

Excellent Participation: 76 End Users Complete Survey on Strategic Planning Practices



Gail Crowder, Avison Young

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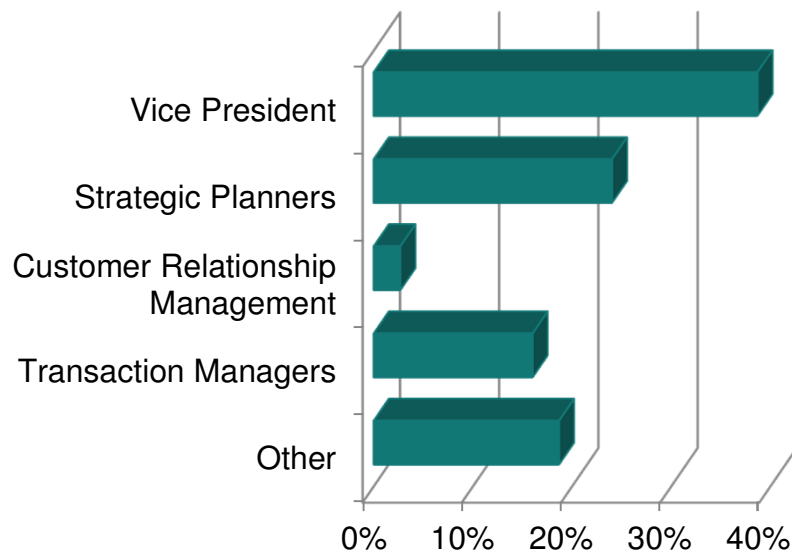
SPP Benchmarking Taskforce



Responsibility and Approval

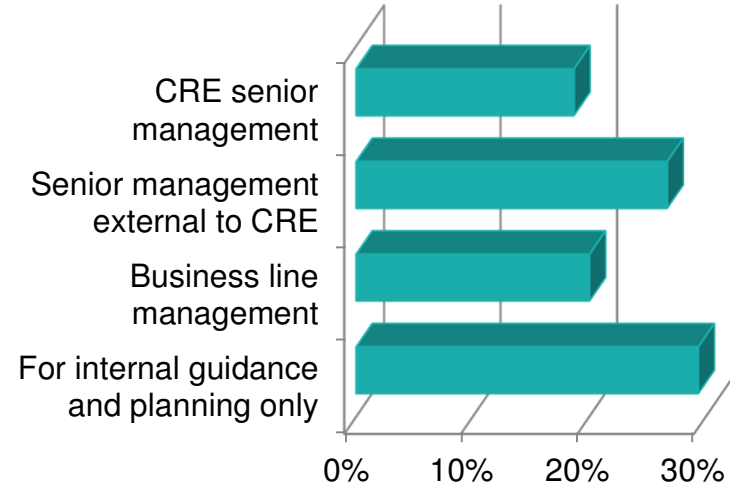
- Responsibility for strategic plans differs by organization.
- Less than 50% of organizations require formal approval by business line management or senior staff external to CRE.

What group is responsible for real estate strategic planning?



"Other" does not include service providers or space planners.

Is your real estate strategy document formally approved by senior management?



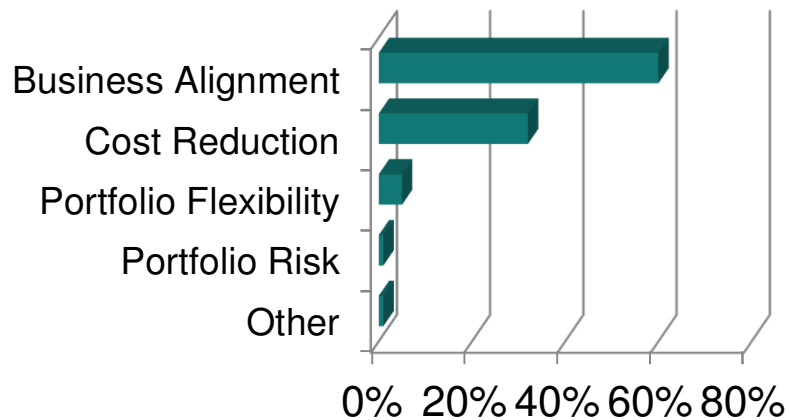
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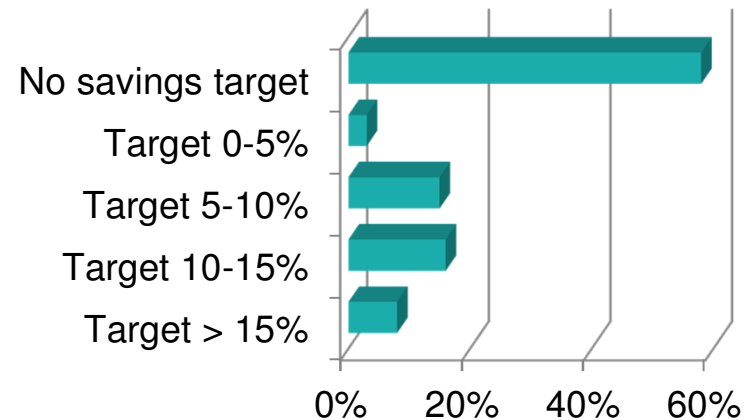
Strategic Planning Drivers

- Business alignment is the primary driver for 60% of respondents
- Cost reduction is the primary goal for 32% of respondents.
- Only 42% of plans have explicit cost saving targets

What is the primary driver for your real estate strategy?



Does the approved strategic plan have established cost savings targets?



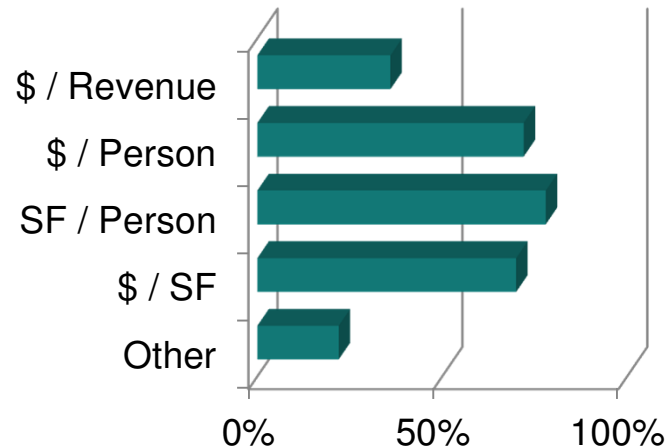
SPP Benchmarking Taskforce



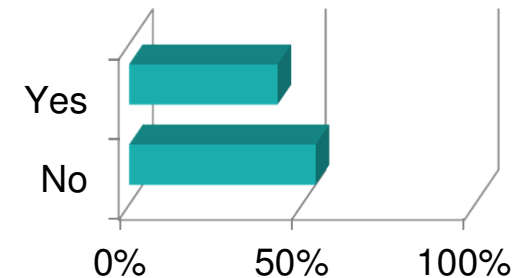
Strategic Planning Metrics

- 72% consider real estate cost per person a primary driver.
- Less than half compare real estate cost to enterprise revenues or costs
- 43% of respondents are including sustainability metrics in their plans

Which metrics are the primary drivers for CRE strategy / performance?



Are sustainability metrics part of your organization's real estate strategic plan?



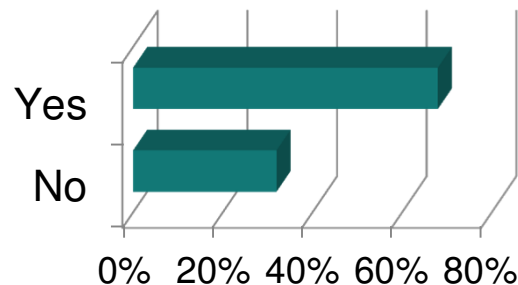
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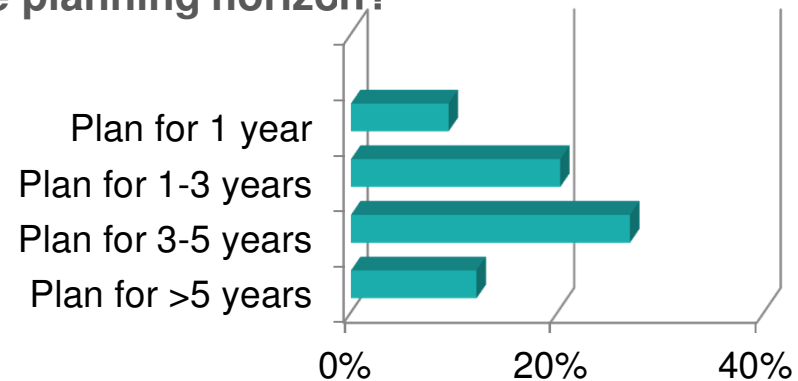
Long Term Plans and Documentation

- Just over 60% have written plan that includes more than performance goals and guiding principles.
- The largest share of respondents complete plans for 3-5 years.

Do you have a written plan that includes more than annual performance goals and guiding principles?



If you have a written plan that includes more than annual performance goals and guiding principles, what is the number of years for the planning horizon?



Percentages are share of total respondents



SPP Benchmarking Study



Looking Ahead

Complete In-Depth Interviews

- How did CRE strategic plan originally get created?
- Who is the owner and who does it interface with?
- When does the cycle for updating it occur?
- How are the inputs gathered?
- What is the output? Departmental guideline or approved corporate plan?
- What is the governance structure?



GOALS:

2013 Webinar

2013 Summit Presentation

*Additional in-depth interviews required. Goal is 25-35 interviews



Gail Crowder, Avison Young



SPP Benchmarking Study



Help Wanted



WE WANT YOU!

Join In

- Volunteers needed to conduct interviews with identified companies
- Data from surveys to be mined for further insights
- Monthly sharing of challenges and best practices, questions and insights into strategic planning processes, most beneficial resources.

SPP Optimizing Capital



A Path Through the Maze

The FASB13 Case Study: Creating and Executing a Successful Communication Plan



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Jane Mather, *Critical Core*

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A Path Through the Maze



Connect Learn Grow Belong

The FAS 13 / IAS 17 Lease Accounting
Group of CoreNet Global in Cooperation
with Newmark Knight Frank

Present

Corporate Real Estate Implications of
Planned Lease Accounting: A Working
Session – Part III

 **Newmark
Knight Frank**

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Richard L. Podos
President
Specialties: Lease Structuring / Funding
for Tenant Improvements, BTS, & SLB
Lance LLC
rpodos@lancellc.com



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Jane Mather, *Critical Core*

Develop a Successful Communications Plan



Begin with the End in Mind

- Consider what the outcomes should be
- Determine the Stakeholders
- One way or two way street?
- Stakeholders may be outside of CoreNet



FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD



Jane Mather, *Critical Core*


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Sponsorship is a big help!



Sponsorship by three organizations

- Afforded additional support



Jane Mather, *Critical Core*



Communication Methods



- Build A Library
- Find an Editor
- Participate in a Summit
- Direct education within chapters
- Webinars
- The Leader
- Email Blast Lists
- Social Media



Jane Mather, *Critical Core*

Lessons Learned



- Feedback from email blasts
- Global communication is a challenge



NY Chapter



**SPP Community Roundtable
Kickoff:
Identifying Challenges &
Opportunities**

CORENET
GLOBAL | NEW YORK CITY chapter
**Strategy &
Portfolio Planning**

Round Table Event



Barry Alton , *Jeffries & Co.*

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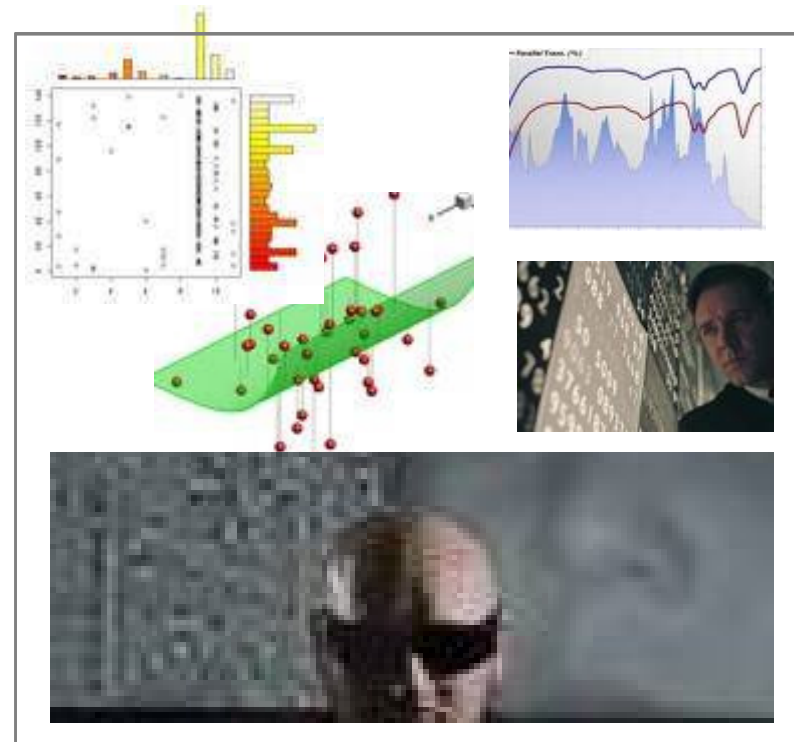
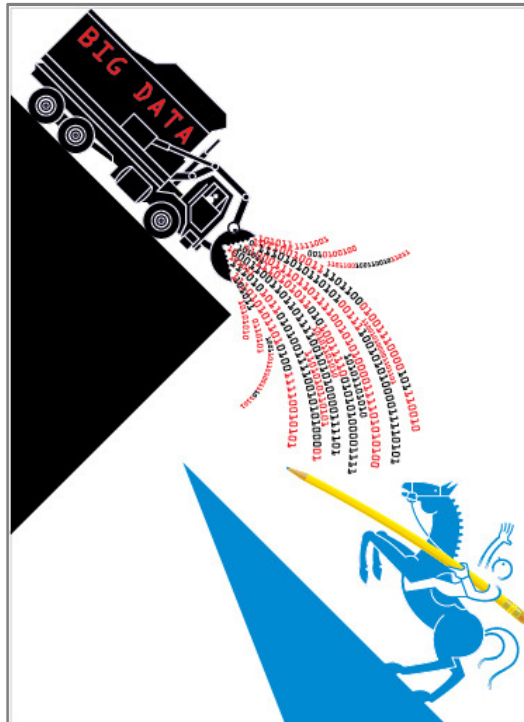
SPP Big Data & Analytics



Big Data

and

Analytics



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Peggy Withrow, IWS

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SPP Big Data & Analytics



Think **BIG:**

90% of data in the world today was created within the last 2 years.

Source: IDC Worldwide Big Data Technologies & Services Forecast (March 2012)

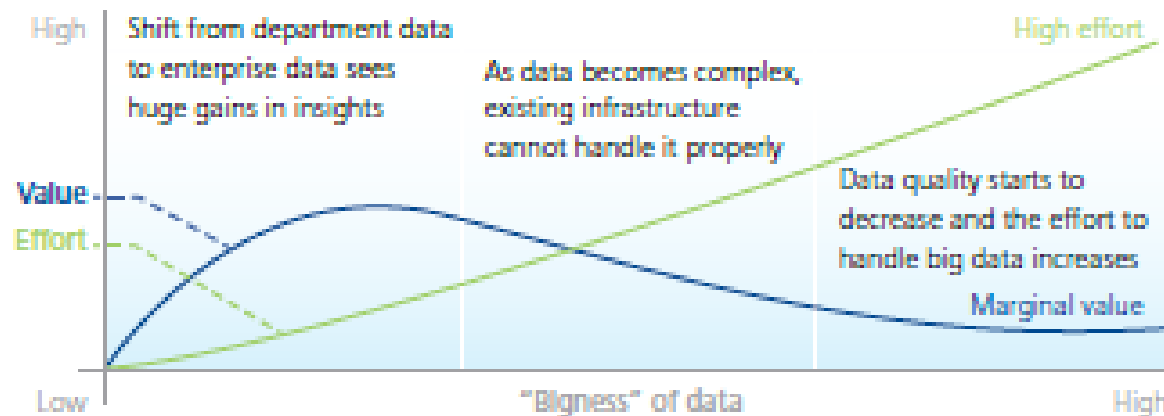
SPP Big Data: Lunch Link Kick-off



What do we want from this research effort?

1. Are we asking the right questions?
2. Do we have meaningful data?
3. Do we have the tools and skills to analyze it?
4. How do we find the strategic advantage from Big Data?
5. Big Data versus Small Data - or is it "Just Right" data?

"Bigness" of data vs. value of data and effort



Graphic from Deloitte Report
October 2012

The insight economy "Big Data matters – except when it doesn't"

SPP 2012-2013 Program



- **SPP Task Forces - Creating Knowledge**
 - Continue existing where interest & content
 - Add new Task Forces where expertise & interest dictate
- **SPP Program - Presenting Findings**
 - 2 Chapter Meetings
 - 2 Webinars
 - 1 White Paper
 - 1 Presentation at 2013 Summit
- **SPP Governance - Structure & CoreNet interaction**
 - CoreNet
 - SPP internal
 - Elections



How I can I participate?



- **Become an Affiliate**
- **Operating Board**
 - Volunteer, rep from each Task Force, 4-8 hours / month
- **Advisory Board**
 - Advise on SPP direction, governance and CNG interface
 - Meets Quarterly with Operating Board (must attend at least 3 meetings)
- **Research Committee**
 - Research task force leaders
 - Coordinates activities, sets policies ,approves proposed activities
 - Meets once / month, have rep from each Research Task Force
- **Task Force(s)**
 - Share information at Summits, Webinars, Articles
 - Monthly meetings are open to all CoreNet members
 - Volunteer, hosts meetings minimum 8 times / year



Leadership Structure / Elections



SPP Advisory Board

CNG Board Liason

Randy Smith

Service Provider

Paul Garity

CNG Staff

TBD

CNG Staff

Eleanor Estancio

End User

TBD

Service Provider

TBD

**SPP
Research
Peer Review
Committee**
(proposed)

(TBD)

SPP Operating Board

(Acting) Co-Chair End User
Robert Schuur

(Acting) Co-Chair Service Provider
Peggy Withrow

Operating Activities

Marketing
Communications
Elisa Konik, C&W

SPP Web site /
Knowledge Mgt.
Coord w/ CNG

Secretary /
Treasurer
TBD

Events /
International
Liaison
TBD

Membership
Welcome /
Identify interests
TBD

Chapter
Liaison
TBD

Sponsorship
(Task Force /
Treasurer)

Research Activities / Operating Committee

Task Force 1 –
Benchmarking SPP
*Pierre Ratte,
Hartford Holdings*

Task Force 2 –
SubPortfolio
Christelle Bron

Task Force 3 –
Technology
Charemon Tovar

Task Force 4 –
Optimizing Capital
TBD

Task Force 5 –
Big Data & Analytics
Peggy Withrow

Research / Chapter
Activities –
Barry Alton (NY)

Participate: Become an Affiliate!



To join the SPP Community you **MUST** be a member of CoreNet Global. Then.....

- When you renew your membership for 2013 (*dues invoices to be mailed October 2012*), select the Strategy and Portfolio Planning (SPP) as your PRIMARY or SECONDARY affiliation
- Your PRIMARY affiliation is free of charge and is included in the membership fee – just remember to make a selection!
- SECONDARY affiliations cost USD50 for one year



Q & A



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Enjoy the Summit!



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