

Institutional Change: City of Sydney Experience

1. Setting the Scene

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2. Change Management Platform

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3. Service Provider Approach and Challenges

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4. Challenges

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5. Lessons Learnt



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Setting the Scene: The Background

- City size and boundaries
- Portfolio size \$\$\$ and number of Properties/agreements
- Types of Properties
- Reasons why City has these properties
- New City initiatives Sustainable Sydney 2030



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The Issues

- No portfolio strategy – but fulfilling different needs
- No portfolio performance initiatives
- Old portfolio with backlog of maintenance
- Not all PM/FM team had the appropriate skills
- 9 Year old outsource head-contract for part portfolio
- Team focused on doing and 'shadow' management
- Property Unit Manager moved on
- No integrated systems (five+ data/information systems)



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The Solution

- Split portfolio into four with clear objectives
- Outsourcing solution integrated across all operational levels
- Integrated information/accounting system
- Elevate leadership - new Property Director
- Restructure team - strategy and relationship focus
- Retain limited functional skills
- Clear delineation of internal/outsourced roles
- Existing team members to apply for new roles or recruit externally
- Manageable, meaningful and measurable performance criteria



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Change Management Platform

Change Diagnosis

Perceptions	Service level
Cost	Approach
Capability	Culture
Interest	Power

Change Strategy

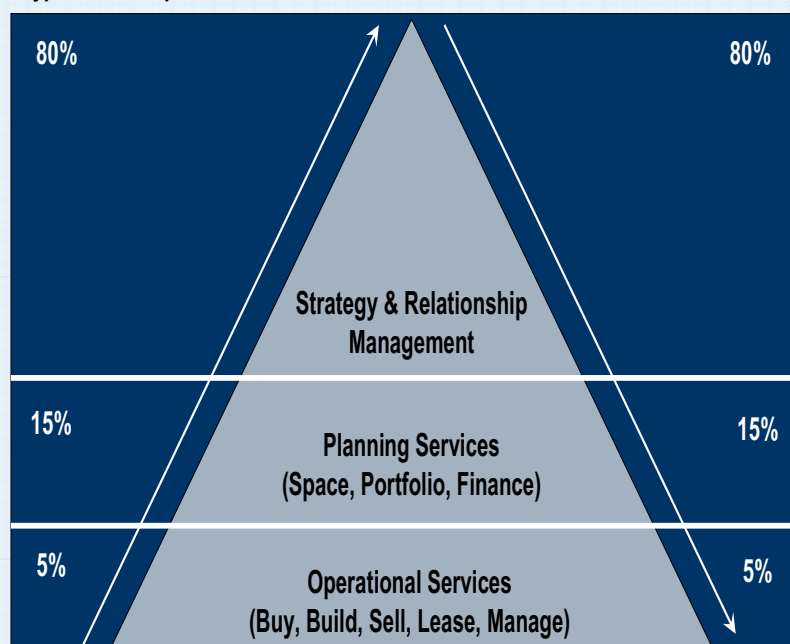
Engagement	Structure
Work distribution	Roles
Change Support	Risks

Change Delivery


Team Selection	Collaborative
Training	Reality checking
Team Building	

Typical Time Spent


Value Added




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Change Element	Challenges	Approach	Result
New Contract Delivery Model 	<ul style="list-style-type: none"> Complexity of Scope End users focussed on Service Delivery (Business as Usual and not transition process) No prior reference point to benchmark expectations 	<ul style="list-style-type: none"> Transition managed through External Consultants with dedicated BMS Transition and Service Delivery Teams Contract Manager brought on early KPI's developed during transition 	<ul style="list-style-type: none"> Successful "GO LIVE" at the due date City of Sydney's property unit's new organisation structure in place.
Integration of two distinct Delivery Models (In-house/Outsourced)	<ul style="list-style-type: none"> Integration of different processes across all service disciplines Management of BMS stakeholders with different approaches 	<ul style="list-style-type: none"> Development of consistent processes to meet the specific requirements for portfolios 	<ul style="list-style-type: none"> Establishment of a consistent Service Delivery Model

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Change Element	Challenges	Approach	Result
Integrated Management Information System 	<ul style="list-style-type: none"> ▪ Gaps in data ▪ Data in disparate systems – (Excel, in-house systems, ERP, incumbent Service Provider) ▪ Legacy issues with data ▪ Data integrity ▪ Lack of detail in key business processes 	<ul style="list-style-type: none"> ▪ Contract Finance Manager during transition to lead data validation exercise ▪ Dedicated Data team to transition core data from systems with maximum validation prior to “GO LIVE” ▪ 100% reconciliation of all Financial Data ▪ Developed detailed financial processes and reporting formats working with City of Sydney 	<ul style="list-style-type: none"> ▪ Successful parallel run per milestone during transition and subsequent “GO LIVE” ▪ Integrated Plexus MIS developed to meet City of Sydney's requirements ▪ Detailed processes for all aspects of the service developed and deployed

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Change Element	Challenges	Approach	Result
Increased focus on 2030 Sustainable Sydney Vision 	<ul style="list-style-type: none"> ▪ Need to validate the existing water, electricity and gas consumption data ▪ Establishment of a baseline ▪ Establishment of achievable intermediate targets towards the 2030 objectives 	<ul style="list-style-type: none"> ▪ City of Sydney and BMS Specialist Technical resources dedicated to: <ul style="list-style-type: none"> ☐ Validation of data ☐ Data collection ☐ Establishment of baseline ▪ Strategic and Technical resources to develop a detailed implementation plan for the property unit 	<ul style="list-style-type: none"> ▪ Establishment of baseline ▪ Key site data collection for gas, water and electricity ▪ Implemented scorecard to monitor progress weekly ▪ Implementation plan with milestones ▪ Presented to key senior stakeholders ▪ Identification and roll-out of ESD initiatives eg Occupant/Tenant education

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Prior to September 2008

Multi-service Delivery Model

- Two distinct Service Delivery Models – inhouse and outsourced
- Multiple and disparate Systems - no integrated MIS
- Only high level processes documented
- Difficulty in implementation of property component of 2030 Sustainable Sydney Vision

Post “Go Live” September 2008

New Service Delivery Model

- Integrated Service Delivery model implemented
- Integrated Plexus MIS rolled out and live data reporting
- Detailed portfolio specific processes aligned with City of Sydney’s objectives
- Detailed ESD Implementation plan and ESD objectives aligned with 2030 Sustainable Sydney Vision

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Challenges at the City of Sydney

- Reducing gap between theory and implementation
- Transition to new working model still happening
- Helping people let operations go
- Reinforcing roles and upgrading skillsets of long term staff
- On-going induction of new team members on both sides
- On-going clarification of terms and definitions in contract

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Lessons Learned

- Best to have group leader & contract manager on-board up-front and for negotiations
 - Do not attempt too much change in one hit
- | | | |
|---|---|---|
| <ul style="list-style-type: none"> 1. New portfolio strategy 2. New City 2030 initiatives | <ul style="list-style-type: none"> 3. New services contract 4. New team structure | <ul style="list-style-type: none"> 5. New property division leader 6. Data gathering challenges |
|---|---|---|
- Focus on relationship management and culture creation from very beginning
 - Beware 'victim' mentality in change management process
 - Using existing management in new roles needs extensive one-on-one coaching

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Lessons Learned Continued

- Ensure 'business as usual' operations team involved in transition (Consider delaying transition start to get key players on board)
- Hold 'Clarity workshop' on definitions at the beginning and during transition
- Transition management does not stop after transition period (Consider splitting core and support function transition into two stages)
- Beware services scope that is too onerous and wide-ranging without being specific to portfolio
- Be true to contract type – is it 'master/servant' or 'partnership'?
- Set contract performance standards accordingly

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