



Creating a beautiful relationship

Guy Addison – Deputy Head of Real Estate,
Barclays Global Retail Bank



15 February 2011

Areas to be covered

- Barclays context
- Drivers for change
- Opportunities in the ‘New World’
- The Barclays RFP and selection process
- How and why we selected DTZ
- Changing an established relationship
- Some ground rules under the new contract
- Developing a (new) partnership with DTZ
- Where are we today and where are we going?

Barclays Global Retail Bank Corporate Real Estate Services

- Responsibility for the management and running of Barclays buildings across the Global Retail Bank
- c4,100 buildings, 22m sqft globally
- Annual spend in excess of c£0.65bn pa globally
- Mature outsourced model in the UK, regional evolution
- Full service provision
 - Real Estate
 - Facilities Management
 - Engineering
 - Capital Projects
 - International

The Barclays UK Retail Bank portfolio

	Units	Sqft
Retail	1,840	7.3m
Office	174	4.9m
Data centre	<u>3</u>	<u>0.7m</u>
	2,017	12.9m
	£m pa	
Payable		306
Receivable	36	

Average transaction volumes pa	
Rent reviews	
Landlord	15
Tenant	225
Lease renewals	
Landlord	55
Tenant	125

Barclays in an outsourced real estate services world

- 1999 - one of the 'original' real estate services outsourcing deals
 - 17 bidders
 - No country-wide supplier capability
 - No real GCS environment
- Reluctance to divulge data, know-how and business intelligence
- Survival through two renewals and several supplier mergers
 - Emphasis on fee reduction, not service enhancement
- Basic operating model unchanged to 2009

Drivers for change



Outdated operating model



Remuneration structure



Contract flexibility



Dual suppliers



Performance management

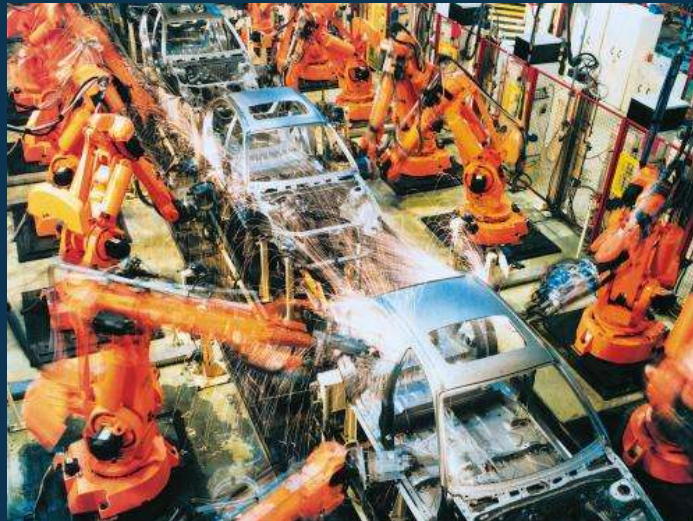


Customer requirements

Opportunities in the ‘New World’



Innovation



Efficiency



**Quality
Service**

The Barclays RFP and selection process

- Consultant-led over 10 months from RFI to appointment
- Our approach:-
 - Barclays exposure to full bid teams
 - ‘Behind-the-scenes’ perspectives at bidders’ offices
 - Testing bidders’ willingness (and ability) to accommodate and adapt to Barclays’ ‘New World’ aspirations
 - Prescriptive attendance from bidding team members
- Time out to recalibrate in light of initial bidder responses
- To understand and get to know the team we were going to be working with (and vice versa)

Selection of our new real estate services partner



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Property Week

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Barclays banks on DTZ

■ Firm to generate up to £6m in fees for giant retail and office portfolio

BY JENNIFER RIGBY

Barclays bank has appointed DTZ to advise on

Bank, which focuses on UK consumer and business customers. The portfolio totals more than 5m sq ft. DTZ will be responsible for the entire estates.

Paul Idzik, who joined from Barclays in 2008. Three more Barclays staff followed him to join DTZ's management in 2009.

Selection of our new real estate services partner

Price is important, but so are:-

- People
- Partnership
- Performance
- Process
- Perspective

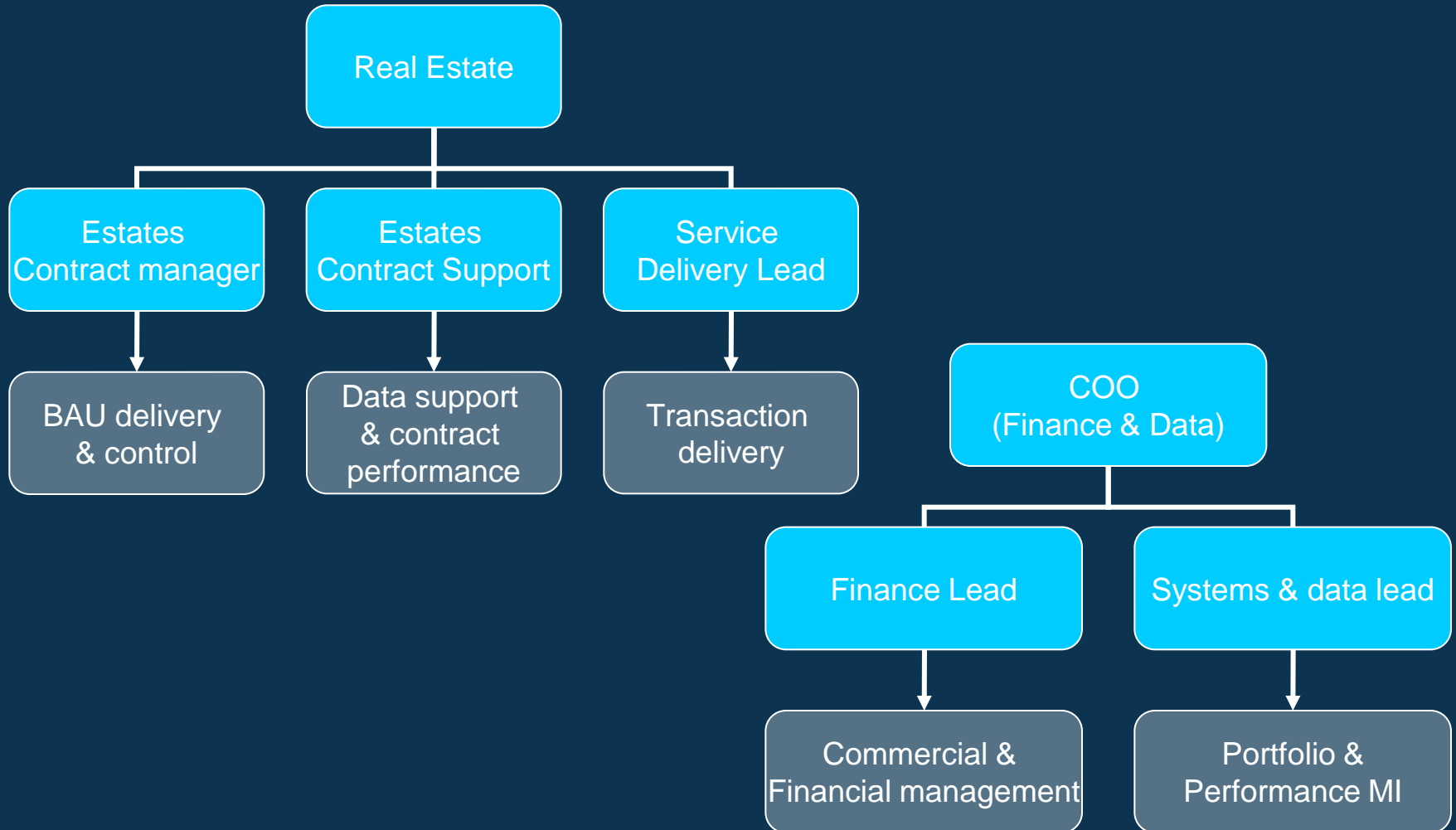
Changing an established relationship

- Recognition and acceptance of the ‘New World’ (by both ‘sides’)
- New DTZ structures to match Barclays
- Step-change in service delivery
- Idea innovation as part of the core service
- Real commitment to partnership from both sides

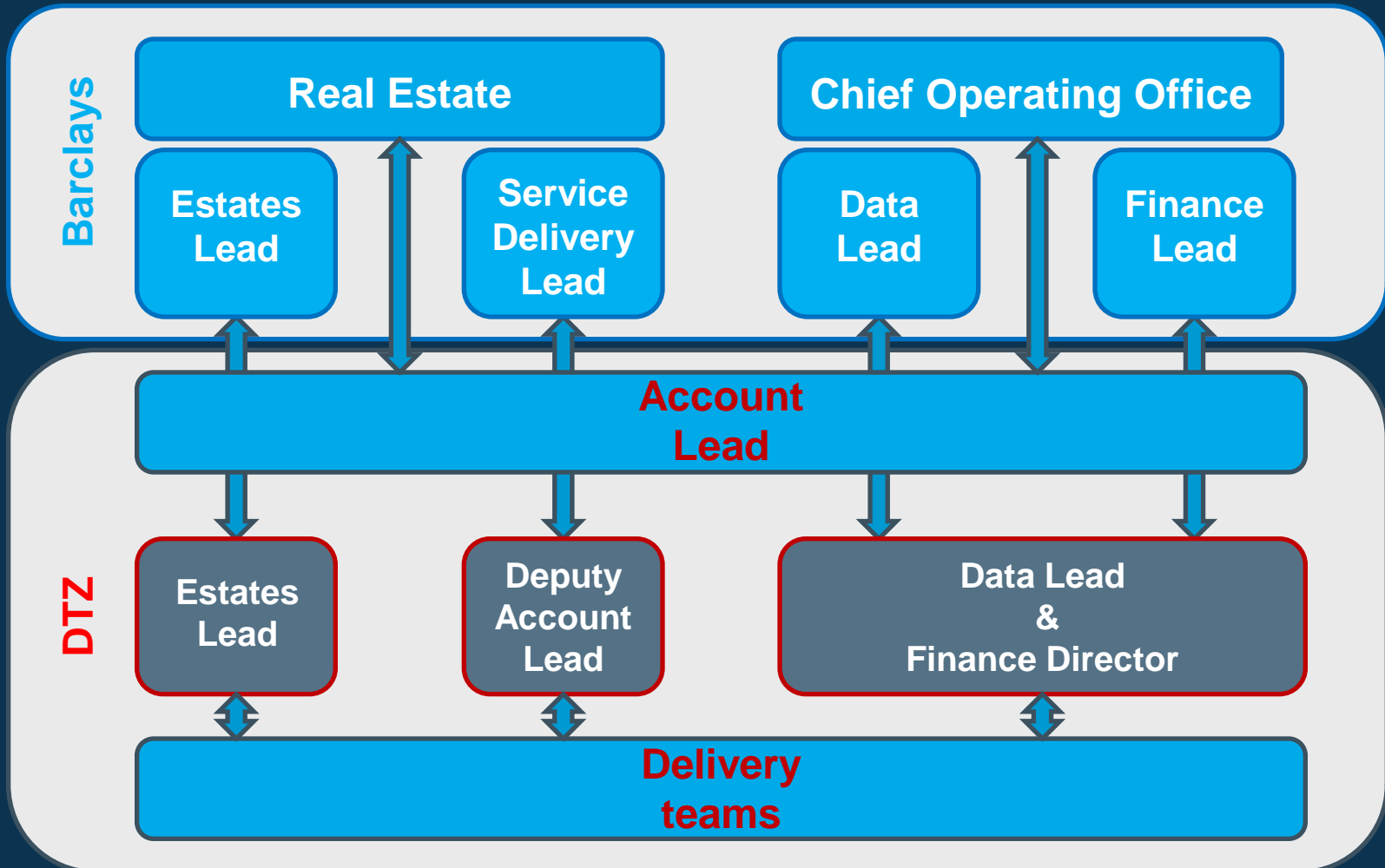
Some ground rules under the new contract

- A new contract, not a bigger version of the old one
- Implement changes during transition, not from contract start
- Be clear on what is being delivered, by who and by when
- All levels of the relationship are important
- Supporting our supplier in driving its own business

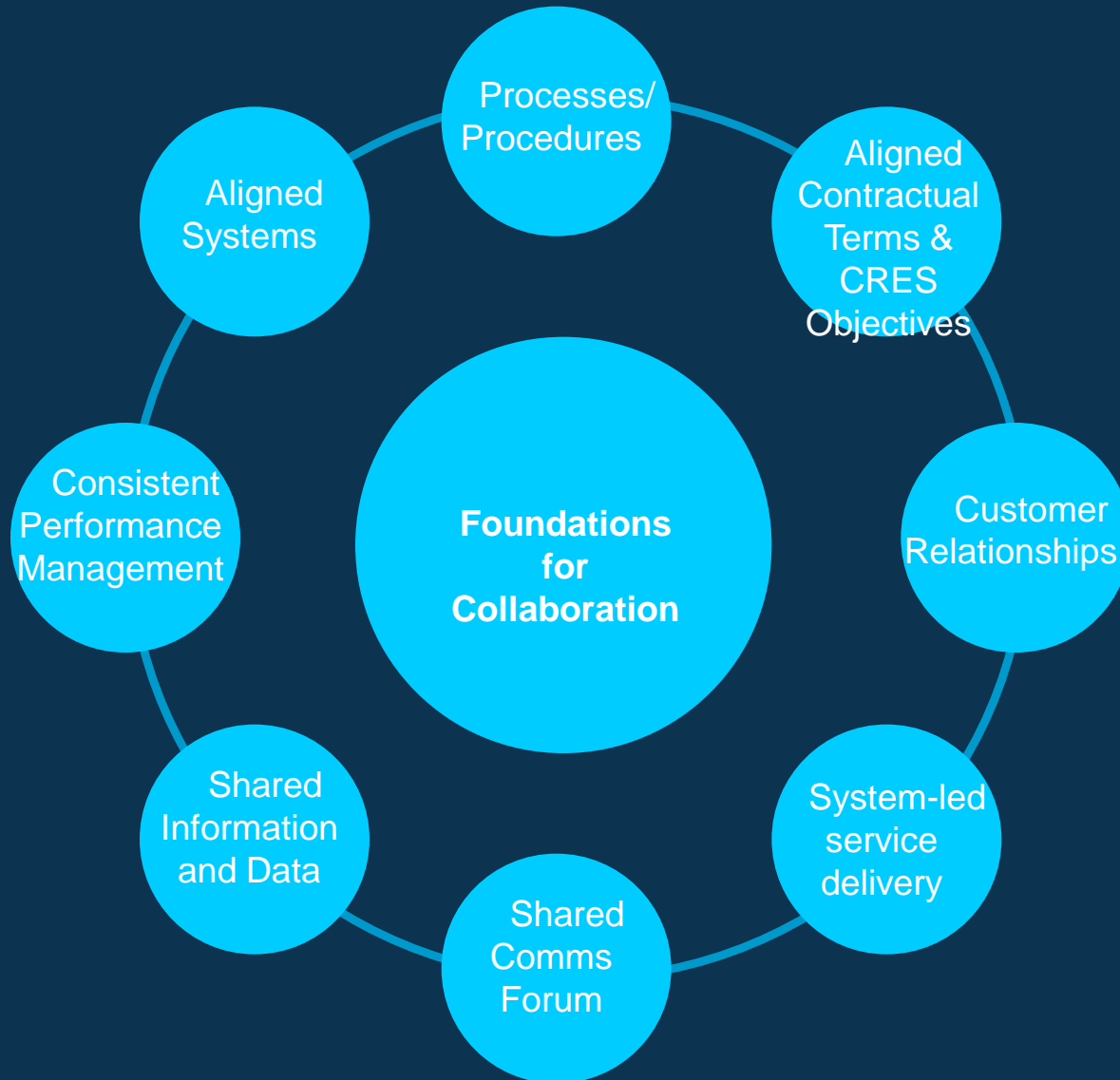
Barclays' team today



DTZ 'Barclays' service delivery team today



Developing a (new) partnership with DTZ



Shared information and data



Paid for performance



Where are we today and where are we going?

- Seven months into the 'New World'
- Embedding and evolution of new operating model
- Development of new initiatives
- Enhancing customer relationships
- Barclays as innovator in partnership with DTZ
- Could we have been bolder?



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CREATING A BEAUTIFUL RELATIONSHIP

Julie Kortens – Channel 4 Television



What is Channel 4?

The Broadcasting Act 1981:

4th Channel should “Cater for tastes and interests not served, or under-represented on ITV, to be distinctive in its programming, to innovate in the form and content of programmes”

We are independent

- From state funding
- From government
- From shareholder pressure

We are a public corporation serving public interest

2003 Communications Act

Re-affirmed that we should:

- appeal to the tastes/interests of a culturally diverse society
- include programmes of an educational nature
- exhibit a distinctive character
- demonstrate innovation, experimentation and creativity

How does this translate into our daily activities?

Nurture

Operatunity



Inspire



Create



Champion

In everything we do, we ...

Inspire change...

Do it first....



Cause trouble...

Employee engagement:

- Keep everyone informed about key issues
- Listen to what employees think and feel - act on the feedback
- Reinforce Channel 4's values in a way which is consistent with our brand

The screenshot shows the Channel 4 intranet interface. At the top, it says "Good morning, Sue Griffith" and "You are Sue Griffith | edit | log off". There is a search bar and a navigation menu on the left with options like Home, my profile, my department, my RSS feeds, latest Channel 4 news, useful links, menu, and Admin menu. The main content area is divided into sections: "Your Channel 4 news" with a video player, "Events" with a calendar, "What's hot" with a featured article, and "What's new" with a list of recent updates. A profile picture of a man in a suit is visible on the right side of the page.



Tuesday 24 November 2009
Click here for performance figures

I'd like to thank everyone who came along to the staff sessions last week - it was sad to say goodbye to Andy after working with him so closely over the last few years, and exciting if a bit daunting, to be stepping into his shoes for the next few months. Don't forget that we're having a drink with Andy on Thursday evening to formally wish him well, if you'd like to join us please let internal comms know.

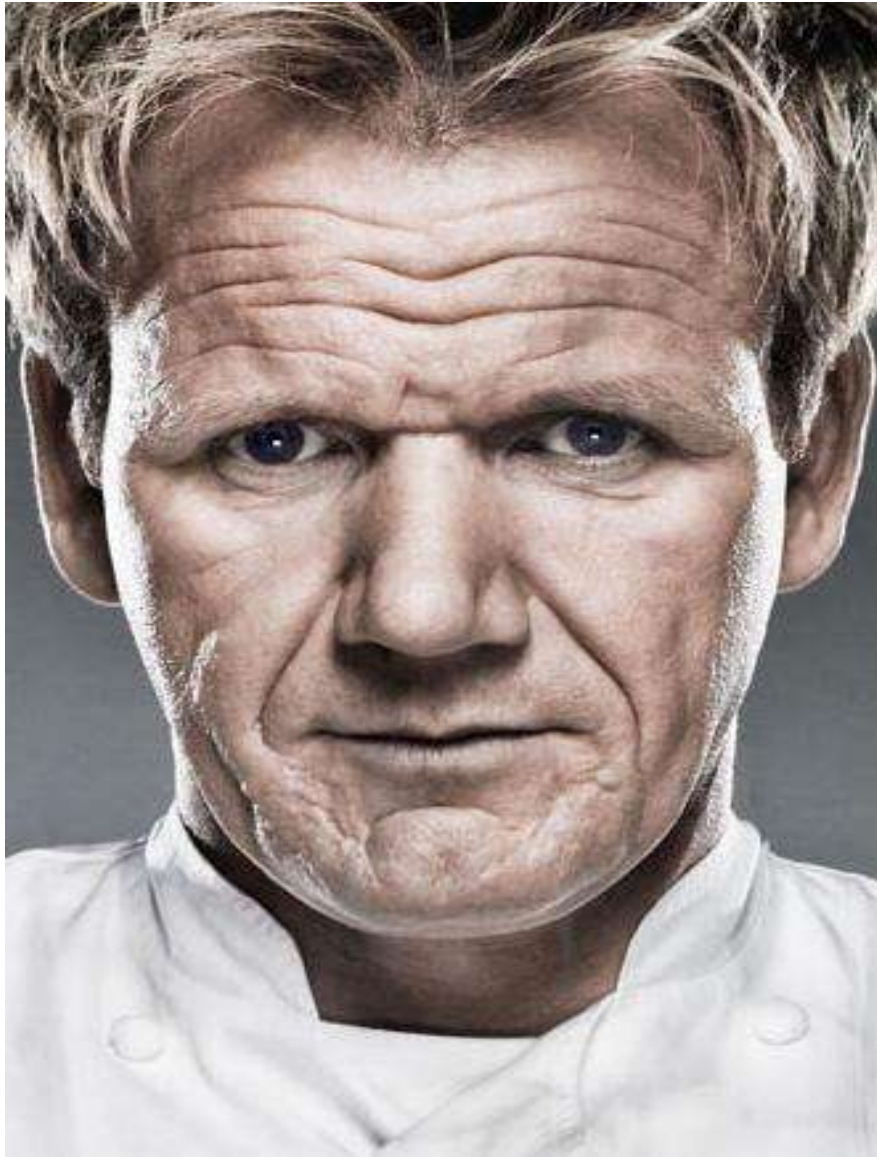
I want to continue the tradition of sending you all a weekly update, but I would like to make sure that it's as relevant as possible. It would be useful to hear from you about what you would like to see included and it's worth remembering that the content relies to a large extent on you flagging up things that you are particularly proud of, so that we can get a real feel for what's going on inside Channel 4.

We begin another series of Exec Briefings this week, and I will be meeting with every team over the next few weeks to give a general update on our progress this year and answer any questions you might have - they were really useful sessions last time we ran them, so I hope you'll all be able to come along.

There was an excellent supplement in the Guardian yesterday about diversity in the media and it's rewarding to see that Channel 4 has come out of it very strongly, reflecting the hard work that Oona and her team have put in and the effort we have all been making towards promoting diversity both on and off screen. In addition, we were proud to see Alison Walsh winning the Diversity Champion award at the Ability Media Awards and tonight, as chair of the CDN, we host the first CDN diversity awards which will highlight the progress that is being made throughout the industry.

It's good timing that Cast Offs also begins tonight, you will no doubt have seen some of the press coverage already - it's a comedy drama featuring six disabled characters, played by disabled actors. More4 is also running a Darcus Howe season all week celebrating his 25 years in broadcasting. Diversity also relates to age of course, and our Coming of Age season continues this week with special editions of Relocation Relocation and 10 Years Younger.





Our department objectives underpin Channel 4's objectives...

Our values are fundamental to everything we do

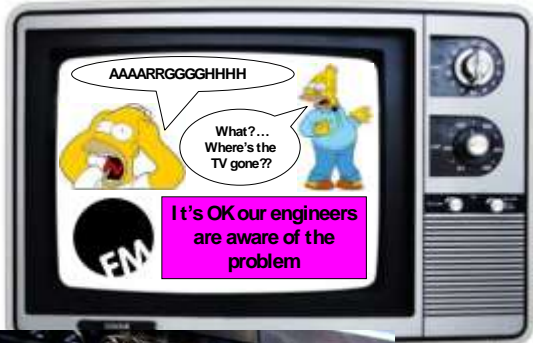
and our service partners need to embrace these values when they work with us at Channel 4

Channel 4 FM encompasses areas such as:

estates management, refurbishment, all hard and soft services, travel services, business continuity, corporate responsibility and environmental management

operating in a 24/7 business critical environment from a landmark HQ building.

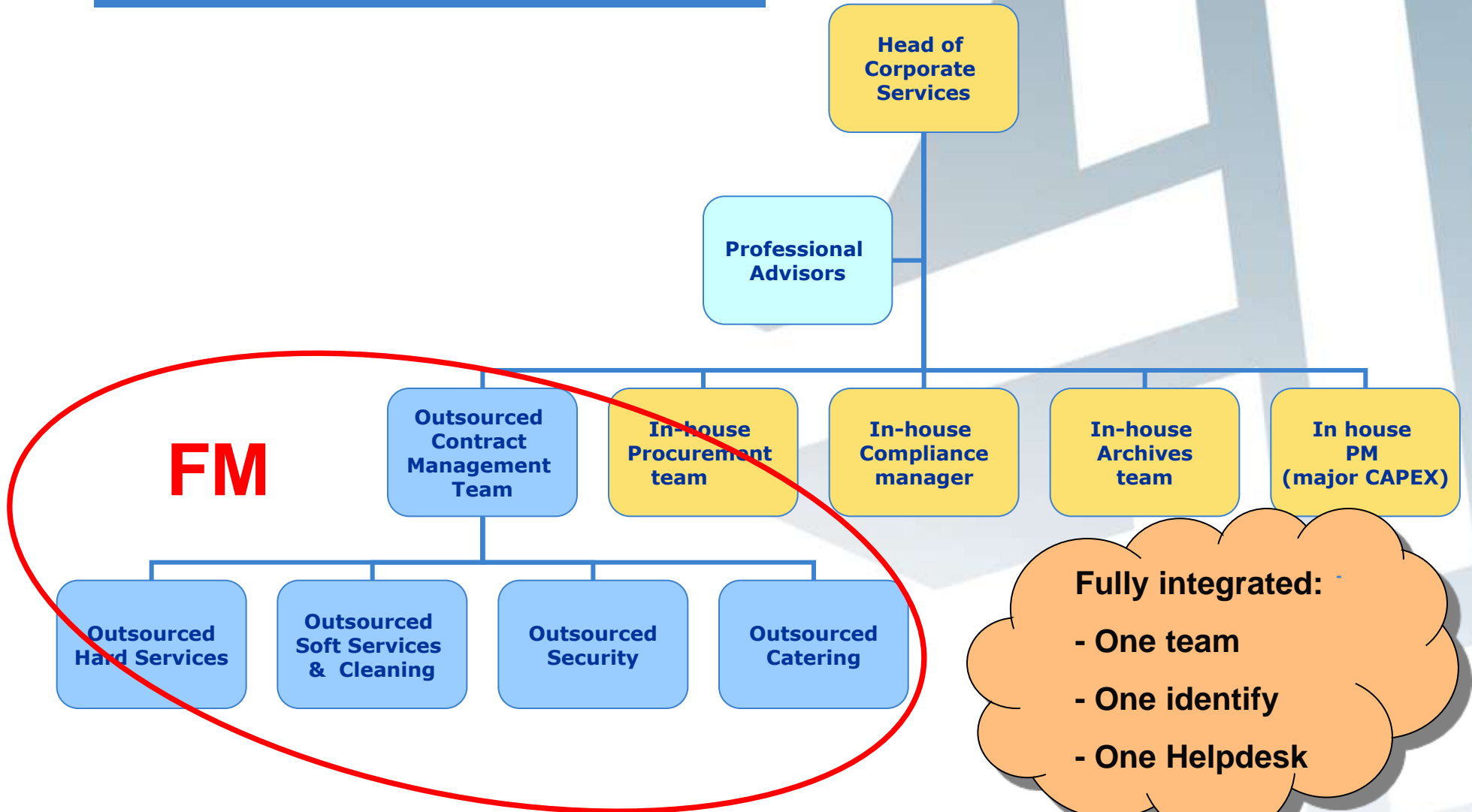




A few examples of how our values are reflected in what we do as an FM team



Current model



Fully integrated:

- One team
- One identify
- One Helpdesk

Issues with the current set up:

- Services not as “joined up” as they could be
- Impact on C4 management time due to separate contracts/KPIs etc
- C4 not always taking advantage of economies of scale/discounts
- Little evidence of continuous improvement/innovation

Options under consideration:

- ~~Status quo~~
- Bundle Security with Soft Services or Hard Services
- Integrated solution - one provider with a combination of self-delivery and 2nd ~~tier~~ management
- TFM

The journey so far...

3 year contracts awarded in '07 after competitive tender

Costs optimized annually but structure unchanged

Benchmarked in 2010

Process highlighted suppliers capable of combined service delivery

Benchmarks confirmed opportunity to drive costs down

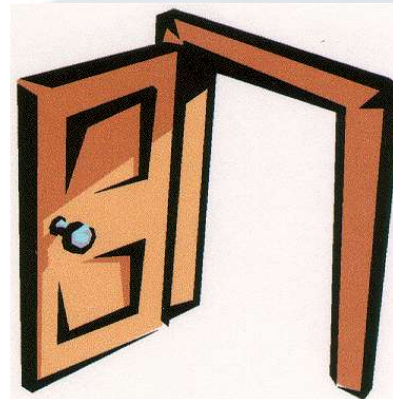
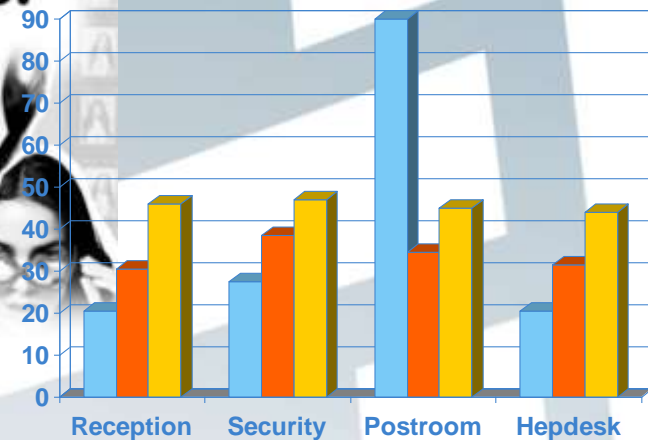
Contracts extended to have co-terminus dates

Staff engagement

Channel 4 staff

FM contract teams

TUPE: The Transfer of Undertakings (Protection of Employment) Regulations 2006 (referred to below as TUPE 2006) is the main piece of legislation governing the transfer of an undertaking, or part of one, to another. The regulations are designed to protect the rights of employees in a transfer situation enabling them to enjoy the same terms and conditions, with continuity of employment, as formerly. TUPE 2006 entirely replaces the Transfer of Undertakings (Protection of Employment) Regulations 1981. TUPE 2006 applies to all relevant transfers including service provision changes where services are outsourced, 'insourced' or assigned to a new contractor, for example in labour-intensive services such as office cleaning, catering, security and refuse collection.



Build on previous experiences and lessons learned!

The journey continued...

RFI and RFP with requests for output driven proposals

Six suppliers were invited to present to Channel 4

2 suppliers were shortlisted for site visits

Suppliers provided different options: integrated and TFM

Internal workshop with FM managers and lawyers

Confirmation of preferred supplier status: formal negotiation

Perceived TFM Benefits

- Greater ownership of service delivery through a single supplier
- Opportunity to drive top level FM objectives that flow through the whole team
- Reduced management time/burden for C4 to coordinate and manage multiple providers
- Improvement in capability of overall team through multi-skilling
- Financial savings (reduced management fee, and associated costs), with a potential for further reductions based on re-modelling of M&E specification
- Value-added elements such as supplier-funded positions
- Ability to adopt a risk/reward approach to the contract with true accountability across all services



Transition to new provider

- Need to review and agree the new structure and job specifications
- Ensure that the TUPE process is handled sensitively
- Design output driven KPIs and SLAs
- New (full) mobilisation programme even if some services are with the same provider
- Ensure we do not cut out cloth too thinly



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Thank you for listening