

MANAGING PROPERTY ASSETS

developing a specification for a
business management system

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BUILDING SOLUTIONS FOR BUSINESS PROBLEMS

Raising the game

Property is a vital resource in the UK economy that directly affects business performance and service delivery. Despite this fact, many organisations regard their accommodation more as an overhead to the business than a valuable productive asset, so that its strategic importance is often overlooked.

The Bootle Report to the RICS [2002] stated 'businesses are throwing away up to £18 billion a year through inefficiency in their use of property - cutting out this wastage could increase gross trading profits by up to 13%'. The Lyons' Report to HM Treasury [2004] noted that the public sector needed to 'raise its game' - 'asset management seems to be pursued in a narrow context within departments not fully joined with strategic thinking'.

There is clear evidence in the private and public sectors of demand for improved methods to manage accommodation as an integral part of the business. To meet this demand, IAM, RIBA, BIFM, COPROP, OGC and other industry leaders are specifying a management system for property assets. The specification will focus on the ability of buildings and facilities to support business outcomes, bridging the traditional gap between property management and business administration.

Wide consultation with the public and private sectors will help us build the consensus we need to specify a business management system for property assets that will be accepted as the industry's model or standard.

The specification

The Institute of Asset Management describes asset management as 'the optimum way of managing assets to achieve a desired and sustainable outcome'. The specification will crystallise best practice into a publicly available framework of concise, definite statements that can be used to measure attainment in an objective way.

The specification will allow organisations to ascertain and prove a level of performance in relation to an agreed standard, to track changes in performance over time and identify trends, to diagnose problems and to set goals for improvement. A benchmarking facility will allow results to be compared with other organisations and an index.

Organisations will be able to align or integrate the specification with existing management system standards including: Quality; Environment; Health & Safety; Data; BSI PAS 55 and PAS 99; other models such as Balanced Scorecard and the EFQM Business Excellence Model.

The specification will be published on the Internet and kept up to date to match current practice; it will serve as a blueprint for any organisation that wants to ensure its own management system is aligned with an industry model; a separate user-licence will be available for consultants.

Disseminating the specification as widely as possible in this way will send a positive signal that it is impartial - unrestricted public access and regular maintenance will promote its continued use and relevance.

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Our goal

A standard is simply an agreement to adopt a defined practice. Here are some potential outcomes of an agreed approach to managing property assets:

- communicating a clear, shared understanding of how property assets support business objectives;
- a cross-functional commitment to managing property that extends 'from board room to boiler room';
- identifying policies and performance measures for property that are linked to core business activities;
- better control of the risks associated with property, leading to a possible reduction in insurance premiums;
- improving the success rate of corporate change management initiatives that are enabled by property;
- embedding useful monitoring and reporting methods and adding value to management audit processes;
- co-ordinating the activities of members of industry supply chains around a common specification;
- instructing and proving a specified level of service delivery in an objective, cost-effective way; and
- avoiding duplication and bureaucracy by integrating or aligning property management with other systems.

Standards work by allowing people and different parts of the organisation to inter-operate efficiently and effectively. Our goal is to deliver a specification that creates tangible benefits and improves the business.

Benefits

The property sector has a tradition of setting its own standards - we are inviting organisations that will benefit from this project to join our team and help us deliver a specification that is relevant to their needs. Membership attracts valuable benefits, including:

- raising the profile of organisations through public association with the project and published specification;
- opportunities for sponsors to use our network to find new clients, customers and business partners;
- a license for commercial use of the specification during the period of its development and trials;
- exclusive opportunities to shape the content of the specification prior to its public release;
- developing and protecting a competitive advantage as early movers in this project;
- building confidence that existing and innovated market products and services fit within an agreed framework endorsed by government and industry; and
- signalling to clients and supply chain partners a commitment to business process improvement - thereby enhancing fee bids and proposals for services.

If you would like to participate and be recognised as part of the team establishing the industry's standard for managing property assets please contact us at mail@consilian.co.uk or visit <http://www.consilian.co.uk>