

External and internal benchmarking the Corporate Real Estate division of a leading German bank

Challenge

The client's objective was to evaluate the potential for cost & space efficiency improvements in its Corporate Real Estate division via external and internal benchmarking. The scope of the assessment comprised the real estate portfolio itself as well as the respective management and operational functions. At first a consistent and comparable database had to be established which also should be leveraged in the context of an upcoming post-merger integration process. Further goals of the project were to realign cost and reporting structures and to initialise a continuous improvement process based on key performance indicators (KPIs).

Approach

All relevant property data was collected according to the categories of IPD's internationally accepted ITOCC standard (International Total Occupancy Cost Code). Based on a comprehensive analysis of existing cost & space data sources multiple matching tables were created and consolidated within an ITOCC-database specially customised for the client. Standard reports as well as an interactive reporting user interface enabled flexible and easy analysis of cost & space efficiency metrics on various aggregation levels (e.g. building, business unit, region, division). In the next step the client's KPIs were compared with those of relevant national and international competitors. Based on the results of the external benchmarking and the additional findings from internal performance analyses, a comprehensive action program was developed to exploit the identified efficiency potential.

Results

Structuring the property data according to the internationally accepted ITOCC standard enabled reliable "apples-to-apples" comparisons. The national and international benchmarking revealed synergies in cost & space efficiency totalling 15%-30%. Furthermore the client was provided with a customised METIS ITOCC tool to be able to flexibly classify and analyse its real estate cost and space. The tool considerably enhanced reporting performance and assured the comparability of the analysed data. Further key results of this project comprise:

- Enhanced data transparency/structure to facilitate external benchmarking
- Standard reports based on ITOCC cost categories and KPI tree
- Alignment of KPIs with existing management reporting
- Comprehensive action program with defined measures

Please feel free to contact us for further information.