

CoreNet Global Webinar Series

Financial KPIs: What really works"

Friday, May 2, 2014
9:30am – 10:30am EST



Introduction

- **CNG Young Leaders Committee**
- **About Virtual Learning Programs (VLP)**

CoreNet Global Young Leaders Committee



Young Leaders of CoreNet Global

Segment	Role	Name	Company	Chapter
Leadership	Chair	Bender, Kristin	Time Warner Cable	Carolinas
	Vice Chair	Vlasto, Joey	Newmark Grubb Knight Frnak	New York
Strategy	Strategy Chair	Dandurand, Jonathan	Deere & Company	Kansas City
	Strategy Vice Chair	Walle, Tia	Chevron	Northern California
	Strategy Associate	Fry, Glenn	Johnson Controls, Inc	UK
Chapter Liaison	Chapter Liaison Chair	Martindale, Seth	CB Richard Ellis	Southern California
	Chapter Liaison Vice Chair	Ellingsen, Molly	VOA Associates, Inc	Chicago
	Chapter Liaison Associate	Walsh, Laura	Osram Sylvania	New England
Programs	Programs Chair	Hackett, Kelly	Cushman & Wakefield	Chicago
	Programs Vice Chair	Polivka, Jenna	Cassidy Turley	Mid-Atlantic
	Programs Associate	van Vliet, Lesther	Nokia	Benelux
Communications	Communications Chair	Clark, Christina	Warren Dixon - RE Services, Inc.	Northern California
	Communications Vice Chair	Franklin, Iain	Travelport	UK
	Communication Associate	Lambert, Robert	Cushman & Wakefield	Southern California
Advisory	Past Chair	Beers, Jessica	Jones Lang LaSalle	Boston
	Past Chair	Rodriguez, Kenny	New Vista Space	New York

Mission

Provides a forum for professionals 35 and under to fast track their careers in the corporate real estate industry through educational opportunities, networking, community investment volunteer events, & leadership opportunities.

Website

www.youngleaders.corenetglobal.org

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LinkedIn Group

CoreNet Global Young Leaders

Get Involved Today!

Contact Tricia Warrick –

twarrick@corenetglobal.org



Previous Programs

Previous Topics have included:

- **Navigating a Summit**
 - **Technology and the Economy**
- **Destination World: Negotiating leases internationally**
- **Temperature Wars: Reconciling comfort, cost and carbon**
- **Complexity of Commercial Real Estate: Why advanced training helps you succeed**
 - **Future of Design and Construction Efficiency**
 - **Workplace KPI's**

Today's Program

Financial KPIs

Moderator:

Cat Cotman, Senior Managing Director
Cassidy Turley

Panel:

Ming Lee Chua, Global Real Estate Director, Strategy and Planning
Unilever

Elliot Lewis, Portfolio Manager MENAT & SSA
General Electric

Rick Kriva, VP Global Real Estate
Honeywell International Inc.

Moderator Introduction



Cat Cotman

Senior Managing Director, Cassidy Turley

- Cat leads Cassidy Turley's Corporate Real Estate solutions team for SunTrust Bank.
- Her team delivers transaction management, project management, space planning, move management, strategy, and lease administration for SunTrust's 15 million SF portfolio.
- Prior to joining Cassidy Turley, Cat was a Senior Vice President, Corporate Real Estate at Bank of America.
- Cat has also held senior leadership positions at Capital One Financial Corporation and Prudential Insurance.
- She earned her Bachelor's degree from Swarthmore College and her Masters of Business Administration from New York University, Stern School of Business.

Panel Introduction



Ming Lee Chua

Global Real Estate Director, Strategy and Planning, Unilever

Ming Lee joined Unilever in 2012 as Real Estate Director. She was then responsible for managing Unilever's Real Estate transactions across 46 countries (25 million sf). In 2014, she took on a role to be the Global RE Director for Strategy and Planning. She is responsible for portfolio planning and governance of Transaction management for 110mil square feet of offices, industrial and warehouses across more than 90 countries.

Before joining Unilever, Ming Lee has worked with Jones Lang LaSalle in the Corporate Solutions team for more than 20 years, managing different accounts across Asia Pacific. Some of her clients she has worked with included Procter & Gamble, Cisco Systems, Deutsche Bank and DBS Bank.



Elliot Lewis

Portfolio Manager MENAT & SSA, General Electric

A Chartered Surveyor, with over 14 years of international experience in corporate real estate, Elliot has worked both in house and as an advisor for a broad range of MNC's. Elliot is currently Responsible for strategic & tactical Portfolio Management of GE's operational properties in MENAT & SSA, consisting of 127 property interests with a total rentable area of 2.6million sq ft and rent role of USD 42.7m. Elliot co-chairs the Middle East Chapter of CoreNet Global



Rick Kriva

VP Global Real Estate, Honeywell International Inc.

Rick Kriva is Vice President of Global Real Estate at Honeywell International, Inc., a diversified technology and manufacturing leader headquartered in Morristown, NJ, with sales of \$39 billion. Honeywell's real estate portfolio consists of over 1,300 locations and 60 million square feet worldwide.

Prior to joining Honeywell in 2004, Rick was Vice President of Real Estate and Development at Motorola, Inc. where he had global responsibility for managing the company's real estate portfolio. Rick held positions of increasing responsibility at Motorola, including director of Real Estate and Environmental Affairs, and director of Quality and Customer Satisfaction.

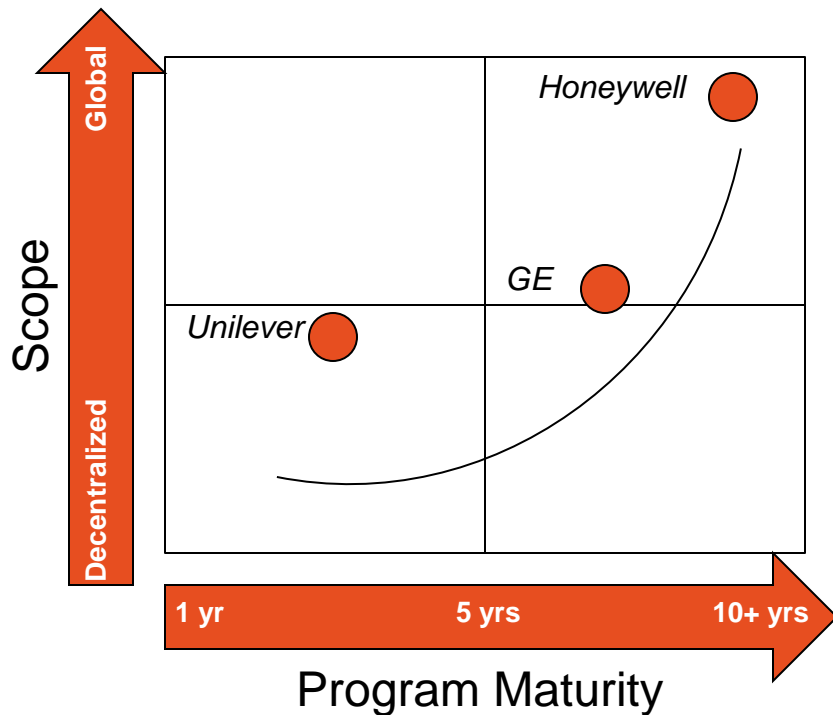
What is a KPI?

Key Performance Indicator:

Measurements that reflect the critical success factors to help an organization define and measure progress toward organizational goals, sometimes referred to as “forward thinking” metrics. KPI’s are generally established in advance of an activity to drive behavioral change and align outcomes to organizational objectives.

Financial KPIs: KPIs directly aligned to an organization’s financial goals such as overall cost savings, cost of goods sold, return on investment etc.

Today's Program Agenda



	Scope	Program Maturity	Key Metrics
Unilever	Regional	2.5 years	<ul style="list-style-type: none"> Cash savings Annual P/L savings
GE	Regional	7 years	<ul style="list-style-type: none"> Cost per seat Cost per square meter
Honeywell	Global	10 years	<ul style="list-style-type: none"> Annual savings Cash Rooftop reductions SF reduction

- What is being measured?
- Who are key stakeholders?
- Who is actively engaged in the program?
- Results to date?

Timing

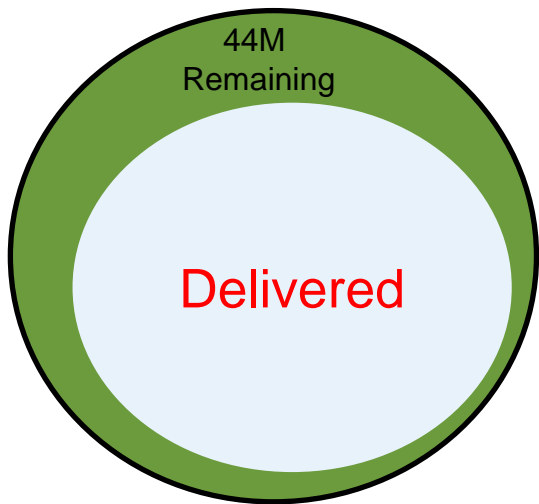
- Unilever KPI Program 9:40 am
- GE KPI Program 9:50 am
- Honeywell KPI Program 10:00 am
- Panel discussion 10:10 am
- Open Q&A 10:20 am
- Ajourn 10:30 am

Unilever Overview

	Unilever	
How long have you been managing your KPI program?	2-3 years	
What were your first year results and where are you today?	<p>1st Year Results: Achieved and delivered more than €50million cash in 2013.</p>	<p>Today: In the process of consolidating for centralized financial reporting globally. Vision to add P/L gross savings target in 2015</p> <p>Key KPI Metrics:</p> <ul style="list-style-type: none"> • €yyM cash in property disposals annually • €XXM+ in P/L Real Estate gross saving

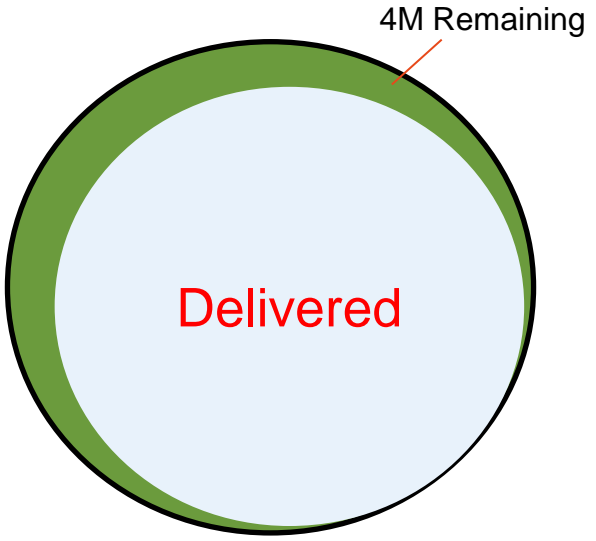
Unilever Financial Overview (Example of reporting)

Cash Inflow



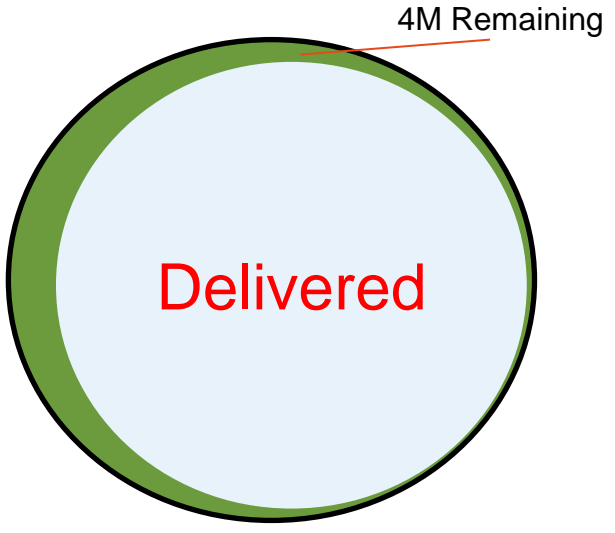
XXXM Projected

P/L on Inflow



yyyM Projected

OTI



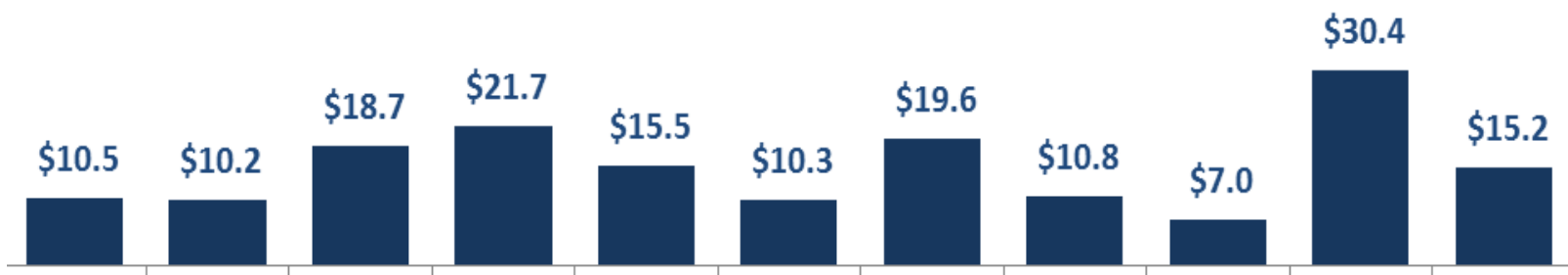
zzzM Projected

GE Overview

	GE
How long have you been managing your KPI program?	7 years
What were your first year results and where are you today?	GE portfolio is very dynamics with new portfolio segments added to centralized RE management. Each year typically involves a re-baselining and new target setting exercise.

GE

Internal focused KPI's - Due to the dynamic nature of the markets and the constant change within GE, there is no one specific KPI that has remained constant in terms of its baseline over the 7 years. This is predominantly due to penetration, currently GE is running 60% of the Office portfolio which they managed from cradle to grave. Over time they have added business premises to their portfolio which has resulted in some stances to initial low costs due to limited investment by the business in the premise, moving to increasing costs and then reducing costs as AWS and IFM are implemented. While Cost per seat is therefore a Key KPI – GE only looks at the cost per seat based on actually allocated Headcount and at the start of any lease they are building in growth resulting in a natural reduction over time as the space fills



The above graph in an indicative sample of Seat Costs over a region



External focused KPI's – GE is highly focused not only on the internal KPI's of cost per seat by also on external KPI's and benchmarking GE's portfolio to that of the market at competition in order to deliver a complete picture to the stake holders. These come in the form of:

- ***Rental Rate Per sq m,***
- ***Fit out cost per sq m***
- ***Operating Cost per sq m***

GE Indicative Savings Walk

GE is highly focus on savings across the portfolio and tracking the impact of initiatives that drive the output - KPI's

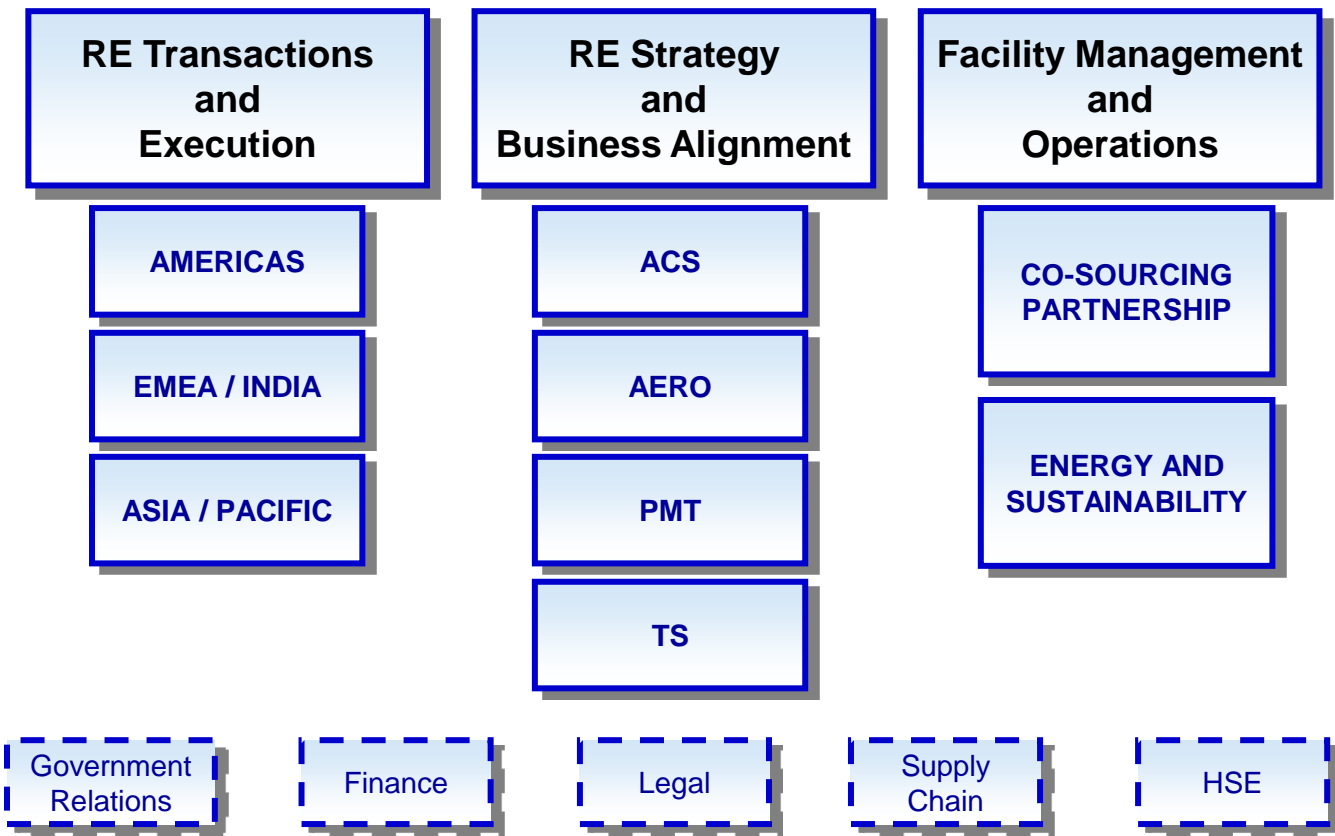


Honeywell

	Honeywell	
How long have you been managing your KPI program?	10 years	
What were your first year results and where are you today?	1st Year Results: \$30M annual savings	Today: \$300M annual run rate savings, +350M cash from dispositions, 650 rooftops, Stronger One HON culture

Honeywell

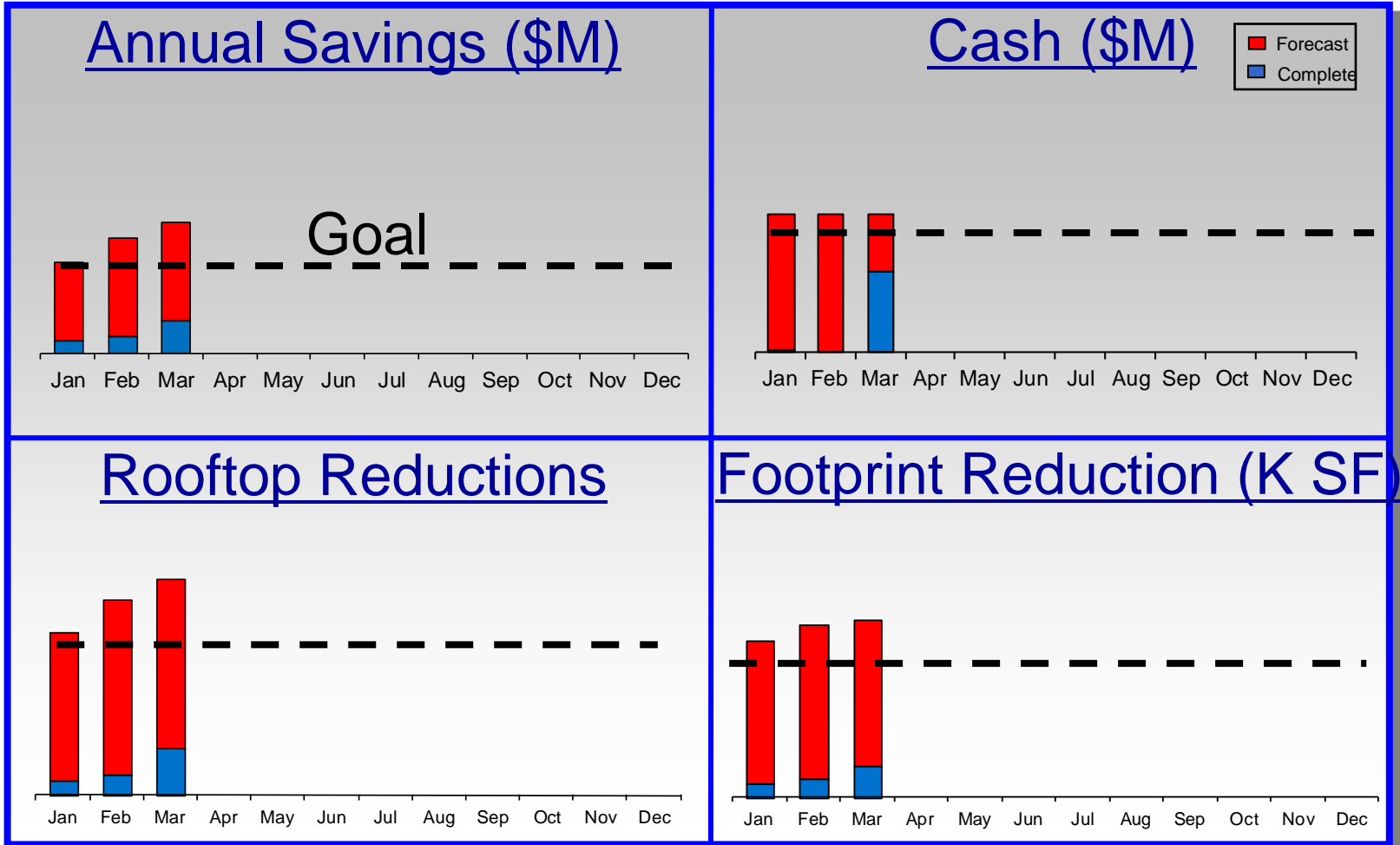
Global Real Estate (GRE) Framework



Strong Business Unit and Functional Alignment

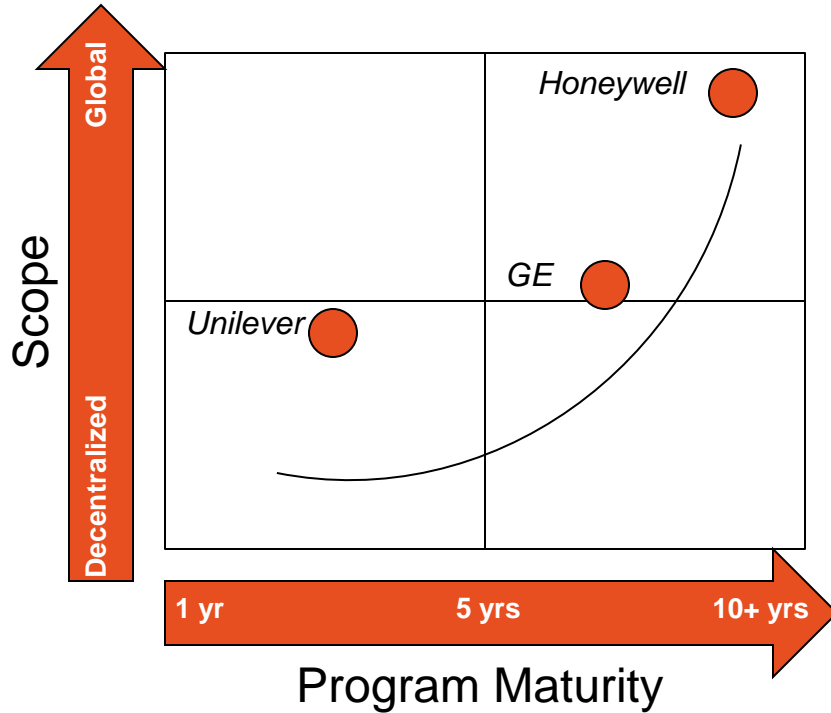
Honeywell

2014 GRE KPI Scorecard (3+9 FCST)



On-Going Stakeholder Reviews Align & Drive Results

Panel Discussion



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Honeywell	Global	10 years	<ul style="list-style-type: none"> • Annual savings • Cash • Rooftop reductions • SF reduction

Key Questions

- *What have been your biggest lessons learned or “ah-ha” moments as you’ve spearheaded financial KPIs in your organization?*
- *If you had to punctuate the one, most important, critical factor or a financial KPI program success that you’d want to this audience to take away from today’s presentation – what would it be?*

QUESTIONS?

**ON BEHALF OF
THE CORENET YOUNG LEADERS
COMMITTEE,**

**THANK YOU
FOR ATTENDING!**