



Developing & Implementing a Global Services Program

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Why Build a Global Services Program?

Global Service Program Drivers

- New center led supply chain organization
- Need to rationalize supplier base and leverage spend
- Gain efficiencies from standardization
- Pressure for continual cost reductions and innovation
- Access to non-core technology
- Flexible business model
- Flexibility of staffing
- Improve safety, service quality, and standards

Challenges & Issues

Challenges & Issues in Building a Global Program

- **Multiple and Diverse:**

- Systems
- SLAs
- KPIs
- Software
- Call Centers
- Contracts
- Strategies
- Laws
- Organizations
- Payment Terms
- Business Units

- **Multiple and Diverse:**

- Specifications
- Environments
- Goals & Objectives
- P&L requirements
- Management Requirements
- Languages
- Currency
- Cultures
- Needs
- Reporting requirements

Challenges and Issues in Building a Global Program

- Need to incorporate the following into a global program:
 - Best Practices & Six Sigma integrated into programs & processes
 - Consistency in Performance
 - Operational Excellence in Execution
 - Industry Recognized Optimal Solutions
 - Quality Assurance
 - Performance Metrics
 - Highest Business Values
 - Effective Use of Technology/Tools
 - Environmental, Health & Safety (EH&S)

Current Environment

- Approximately \$8 Billion Global (\$4.5 US) in annual spend for indirect products and services
- Large number of suppliers (more than 100,000)
- Center-led supply chain organization
- Acquisitions made in last two years are being assimilated into the organization
- Multiple systems and platforms
- Participate in multiple industry segments
- Both a manufacturer and service provider
- Global presence in approximately 160 countries

Actions Taken

Actions Taken

- Conduct Spend Analysis of services by geographic segment (Americas, Europe, PacRim)
- Benchmark
 - Costs & Pricing
 - SLAs
 - KPIs
 - Suppliers
 - Requirements
- Identify and Prioritize opportunities
- Establish Target Cost Reductions & Process Improvements
 - Build glide path for current fiscal year
- Obtain management support and approval
- Assign commodity team leaders by major segment of spend
- Establish communications & reporting protocol

Category Savings Opportunities

First Step: Expenditure Analysis revealed:

- What is being bought across the entire enterprise
- Buying power is not being fully exploited
- A small percentage of negotiable spend is under agreement
- Spend data is not readily available or sufficiently accurate to support supplier management

Second Step: Contract Analysis revealed:

- There are multiple specifications for similar commodities/categories
- There are multiple contracts/suppliers for same items due to decentralized buying
- Prices, SLAs, KPIs and SOWs vary among the same items

Estimate of Savings Potential

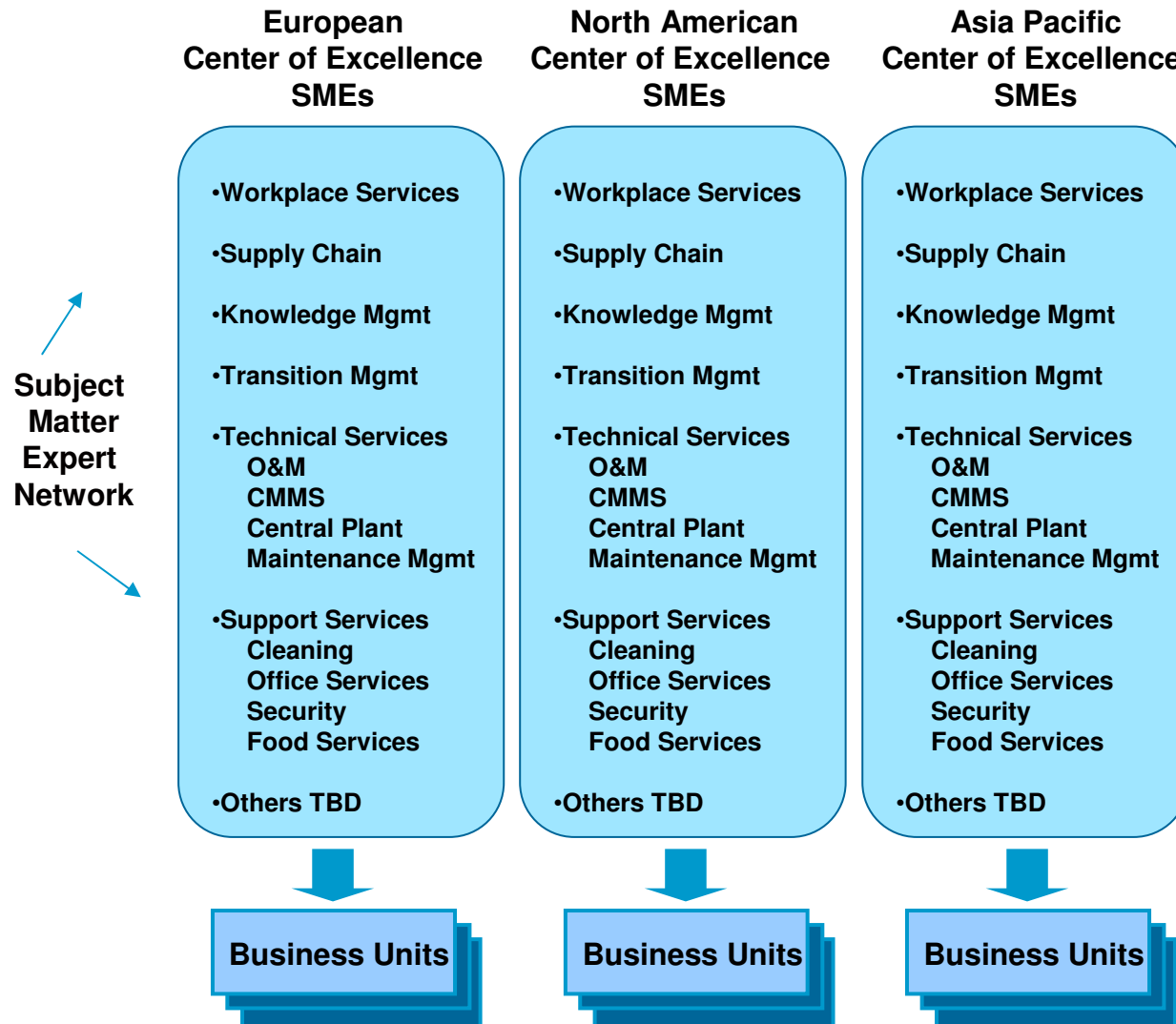
Expenditure Analysis and high-level Contract Analysis help identify and prioritize opportunities for savings

Sample Data								
Category Description	Overall Total	% of Total	Low	High	Low	High	% National Agreement	Supplier Total
Property Services	\$597,981,116.13	Category Summary Below						16835
Tenant Improvements	\$233,454,540.24	26.53%	6%	15%	\$14,007,272.41	\$35,018,181.04	4.00%	1,435
Cleaning Services	\$127,985,755.34	14.54%	4%	9%	\$5,119,430.21	\$11,518,717.98	3.00%	645
Extraordinary Expenses	\$72,445,687.10	8.23%	3%	7%	\$2,173,370.61	\$5,071,198.10	4.21%	2,984
Security Equipment & Services	\$52,867,992.21	6.01%	4%	8%	\$2,114,719.69	\$4,229,439.38	5.00%	1,325
Property Repair & Maintenance	\$41,098,675.23	4.67%	3%	7%	\$1,232,960.26	\$2,876,907.27	0.00%	5,435
Elevator Services	\$20,586,723.45	2.34%	4%	10%	\$823,468.94	\$2,058,672.35	45.00%	1,241
Landscaping & Snow Removal	\$17,364,596.76	1.97%	3%	7%	\$520,937.90	\$1,215,521.77	0.00%	635
HVAC Equipment & Services	\$15,879,675.39	1.80%	5%	12%	\$793,983.77	\$1,905,561.05	11.90%	1,757
Waste Equipment & Services	\$8,945,845.34	1.02%	2%	5%	\$178,916.91	\$447,292.27	0.00%	221
Window Cleaning Services	\$4,096,968.34	0.47%	4%	8%	\$163,878.73	\$327,757.47	15.52%	412
Fire Safety Equip & Services	\$3,254,656.73	0.37%	2%	5%	\$65,093.13	\$162,732.84	0.00%	745
Business Services	\$279,163,340.79	Category Summary Below						10564
Utilities	\$193,949,998.24	22.04%	1%	3%	\$1,939,499.98	\$5,818,499.95	0.00%	2,342
Professional Services	\$45,485,984.45	5.17%	3%	7%	\$1,364,579.53	\$3,184,018.91	0.00%	1,634
Marketing and Advertising	\$15,395,687.21	1.75%	5%	15%	\$769,784.36	\$2,309,353.08	21.00%	4,434
Computer Equipment & Services	\$9,864,536.29	1.12%	4%	9%	\$394,581.45	\$887,808.27	0.00%	375
Personnel Services	\$5,395,867.97	0.61%	3%	7%	\$161,876.04	\$377,710.76	0.65%	434
Telecommunications	\$4,857,692.40	0.55%	5%	10%	\$242,884.62	\$485,769.24	0.00%	756
Courier & Express Mail	\$2,456,724.67	0.28%	5%	10%	\$122,836.23	\$245,672.47	0.00%	345
Office Equipment	\$1,756,849.56	0.20%	7%	13%	\$122,979.47	\$228,390.44	0.00%	244
Office Supplies	\$1,234,567.04	0.14%	8%	15%	\$98,765.36	\$185,185.06	17.39%	435
G & A	\$896,594.22	0.10%	3%	7%	\$26,897.83	\$62,761.60	0.00%	345
Travel & Entertainment	\$657,493.67	0.07%	2%	5%	\$13,149.87	\$32,874.68	0.00%	534
Sourceable Spend Totals	\$879,933,111.85	100.00%	4%	9%	\$32,451,867.32	\$78,650,025.94	3.88%	28,713
Un-selected Non-Sourceable Spend	\$483,232,423.43	Annual Spend Analysis						
Total Spend	\$1,363,165,535.28							



Procurement Assessment

Subject Matter Expert (SME) Network



Procurement Assessment

- The Procurement Assessment enables the following:
 - Document the business unit's "As Is" state
 - Conduct Gap Analysis vs. Best Practices
 - Identify and prioritize savings opportunities
 - Identify organizational change readiness issues
 - Develop solution alternatives
 - Define a "To Be" or desired state

Components of the Procurement Assessment

- Category Savings Assessment
 - Expenditure Analysis
 - Contract Analysis
- Procurement Processes Assessment
 - Order-to-pay
 - Inventory management
 - Compliance
- Procurement Technology Assessment
 - Existing system capabilities
 - Effectiveness with respect to order-to-pay processes
- Stakeholder Assessment
 - Staffing and skills
 - Change readiness
- Solution Options & Estimate of Savings Potential

Information Required

- Validate total spend by Supplier and BOMA (Building Owners & Managers Association)
- Gather copies of all existing supplier agreements
- Validate KPIs, SLAs, SOWs for existing supplier
- Validate equipment specifications, types, and locations
- Systems, tools, technology required to schedule, track, report on, and manage service provider's performance
- Reports detailing current status of services suppliers/spend
- Detail value-added benefits wanted from service providers
- Benchmark current cost structure vs. services provided

Requirements Survey

An assessment of each business units service requirements was conducted. Priorities for improvement will be based on account commonalities and impact significance. Key activities include:

- Site visits and survey (electronic) for each major business unit
- Analysis of current state for each based on key criteria
- Identify commonalities in operations to be leveraged across clients
- Root cause analysis on all current issues and challenges
- Identification and implement key program performance measures
- Development of overall improvement implementation plan

Benchmarking - Objectives

In establishing a services sourcing program, the objectives of benchmarking current service activities are to:

- Support the value creation process
- Provide specific, measurable performance targets
- Prioritize opportunities for improvement
- Help balance performance against customer expectations
- Identify where major changes are necessary or possible
- Provide the necessary incentive to accelerate the cycle of change

Best Practices Summary "Gap Analysis"	Summary			Category Summary										Divisional Locations										
	Total Points Possible	Best Practice Percentile	Overall	Supplies & Printing	Courier & Express	Marketing & Advertising	Professional Services	Personnel Services	Telecommunications	IT & Data Processing	FF&E	Automotive Expense	Facilities	San Francisco	Los Angeles	Orange County	Portland	Colorado	Dallas	San Antonio	Austin	New Mexico	Houston	Denver
Spend Analysis	10	36%	3.6	4.5	3	2.5	5.3	2.8	2.8	6	3.3	4.5	4.5	3.8	4	4	2	2.3	3.8	3	3.3	3.5	4	3
Is supply base rationalized and leveraged?	10	35%	3.5	4	3	4	5	4	2	5	4	5	5	3	3	3	3	3	3	3	3	3	3	3
Is major commodity spend under competitive agreement?	10	34%	3.4	5	3	1	5	1	4	5	1	6	6	3	5	3	1	2	2	3	5	5	3	3
Is spend ordering centralized?	10	38%	3.8	4	2	3	6	2	2	7	4	2	2	6	5	7	1	1	7	3	2	3	7	3
Is spend competitive per major commodity (benchmark)?	10	37%	3.7	5	4	2	5	4	3	7	4	5	5	3	3	3	3	3	3	3	3	3	3	3
Contract Analysis	10	29%	2.9	3.4	2.8	1.5	6	2.3	3	4.4	1.9	3.8	3.8	2.5	3.1	3.1	1.9	2	2.3	2.5	3.6	3.1	2.5	2.5
Do policies & procedures exist?	10	27%	2.7	2	3	1	6	3	2	4	2	2	2	3	2	4	2	2	4	3	2	2	3	3
Does contract management system exist?	10	18%	1.8	2	2	1	6	2	2	4	2	2	2	1	1	2	1	1	1	1	1	1	1	1
Do contracts exist for all major commodities?	10	48%	4.8	7	5	1	6	3	6	7	3	8	8	4	6	4	2	3	3	4	6	6	4	4
Are contracts competitively bid?	10	35%	3.5	5	3	1	6	1	4	5	1	6	6	3	5	3	1	2	2	3	5	5	3	3
Are contracts & pricing competitive?	10	35%	3.5	5	3	1	6	1	4	5	1	6	6	3	5	3	1	2	2	3	5	5	3	3
Are contract terms, pricing & conditions enforced?	10	23%	2.3	2	2	1	6	2	2	4	2	2	2	2	3	2	2	2	2	2	2	2	2	2
Do supplier performance measures exist?	10	26%	2.6	2	2	4	6	4	2	3	2	2	2	2	3	3	2	2	2	4	2	2	2	2
Is supplier performance formally measured?	10	24%	2.4	2	2	2	6	2	2	3	2	2	2	2	3	3	2	2	2	4	2	2	2	2
Business Processes & Procedures	10	27%	2.7	2.5	2.5	2.5	6	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Does process follow logical sequence?	10	22%	2.2	2	2	2	6	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Are hand-off's clear between process owners?	10	22%	2.2	2	2	2	6	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Are cycle times measured & monitored between process owners?	10	31%	3.1	3	3	3	6	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Do key performance indicators (KPI's) exist for order to payment?	10	31%	3.1	3	3	3	6	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Are processes & procedures documented for AP?	10	31%	3.1	3	3	3	6	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Are processes & procedures documented for Procurement?	10	31%	3.1	3	3	3	6	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Are processes & procedures document for ordering party?	10	22%	2.2	2	2	2	6	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Are processes & procedures consistent between functional areas?	10	22%	2.2	2	2	2	6	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Business Systems	10	33%	3.3	4.3	2.9	2.9	4.6	2.9	3	3.6	3.7	2.6	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Do systems and flow follow logical sequence?	10	22%	2.2	2	2	2	6	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Does a formal Accounts Payable system exist?	10	79%	7.9	8	8	8	6	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Does a formal procurement/PO system exist?	10	22%	2.2	6	1	1	1	1	2	4	4	1	4	2	2	2	2	2	2	2	2	2	2	2
Does a formal electronic desktop ordering system exist?	10	25%	2.5	6	1	1	1	1	1	3	4	1	1	3	3	3	3	3	3	3	3	3	3	3
Are systems integrated end-to-end?	10	31%	3.1	3	3	3	6	3	3	3	3	2	3	3	3	3	3	3	3	3	3	3	3	3
Are cycle times between systems flow measured?	10	31%	3.1	3	3	3	6	3	3	3	3	2	3	3	3	3	3	3	3	3	3	3	3	3
Do key performance indicators (KPI's) exist for order to payment?	10	22%	2.2	2	2	2	6	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Procurement Personnel & Skills	10	31%	3.1	3.2	2.8	1.8	6.3	2.7	2.7	4.2	2.3	2.5	3	3.2	3.2	3.5	2.5	2.5	3.3	3.5	3.2	3.2	3.2	3.2
Is there a formal procurement department?	10	36%	3.6	4	2	2	6	3	2	6	3	2	2	4	4	4	4	4	4	4	4	4	4	4
Is procurement activity centralized?	10	34%	3.4	5	3	1	6	1	4	5	1	3	6	3	5	3	1	1	2	5	5	5	3	3
Do formal training programs exist specific to procurement personnel?	10	31%	3.1	3	3	3	6	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Do policies & procedures exist for procurement activities?	10	28%	2.8	2	3	1	7	3	2	4	2	2	2	3	2	4	2	2	4	3	2	2	3	3
Do policies & procedures exist for ordering (functional areas)?	10	28%	2.8	2	3	1	7	3	2	4	2	2	2	3	2	4	2	2	4	3	2	2	3	3
Do policies & procedures exist for payment?	10	31%	3.1	3	3	3	6	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Overall Rating per Division/Commodity Owner	10	31%	3	4	3	2	6	3	3	4	3	3	3	3	3	3	2	3	3	3	3	3	3	3
Rating Percentage (out of possible 10)	10	3%	31%	36%	28%	22%	56%	26%	28%	41%	27%	32%	34%	30%	32%	33%	24%	25%	30%	30%	32%	31%	31%	29%

Establish Operating Metrics

Quantitative Metrics

- Savings Metrics
 - Projected Annualized Savings (\$)—The projected annual savings, in dollars, for completed sourcing projects assuming twelve months of full implementation
 - Realized Savings YTD (\$)—Actual savings in the client's current fiscal year attributed to completed sourcing and deployment projects
- Effectiveness Measures for Sourcing Projects
 - Weighted Average Projected Savings Achieved Through Sourcing—Weighted average savings achieved across all completed sourcing projects (weighted by dollars sourced).
 - Weighted Average Projected Savings Achieved Through Sourcing Efforts versus Forecasted Savings (+/- Against Forecasted %)—Weighted average measurement of projected sourcing savings percentage from completed sourcing projects versus originally forecasted savings during planning
- Efficiency Metrics
 - Percent of Sourcing Projects Completed On Schedule (%)—Measurement of completed sourcing projects by scheduled due date
 - Percent of Deployment Projects Completed On Schedule (%)—Measurement of completed deployment projects by scheduled due date

Quantitative Metrics

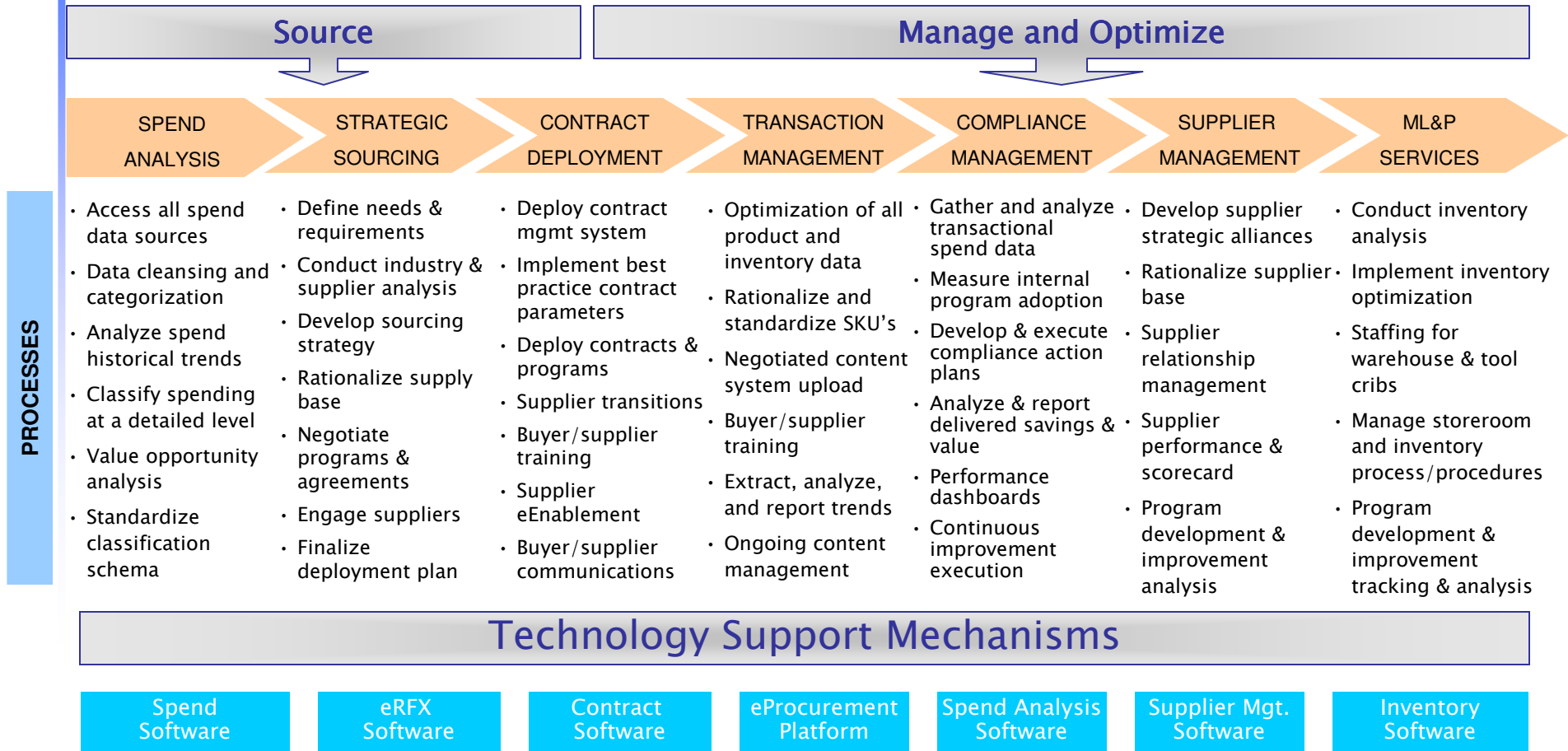
- Effectiveness Measures for Compliance Management Activities
 - Average Compliance Percentage (%)—Weighted average compliance levels across all commodities deployed and under compliance management
 - Weighted Average Compliance Achieved vs. Forecasted Compliance (+/- Against Forecasted %)—Weighted average measurement of compliance percentage from completed deployment projects versus originally forecasted compliance during planning
- Portfolio Metrics—Percent Completion of Portfolio to be Sourced and Managed
 - Portfolio Percent of Sourcing Projects Completed (%)—Measurement of completed sourcing projects versus all sourcing projects (dollars or number of commodities)
 - Percent of Commodities Under Management (%)—Measurement of commodities currently under compliance management versus all projected commodities to be managed (dollars or number of commodities)

Sourcing Program

Scope Of Work

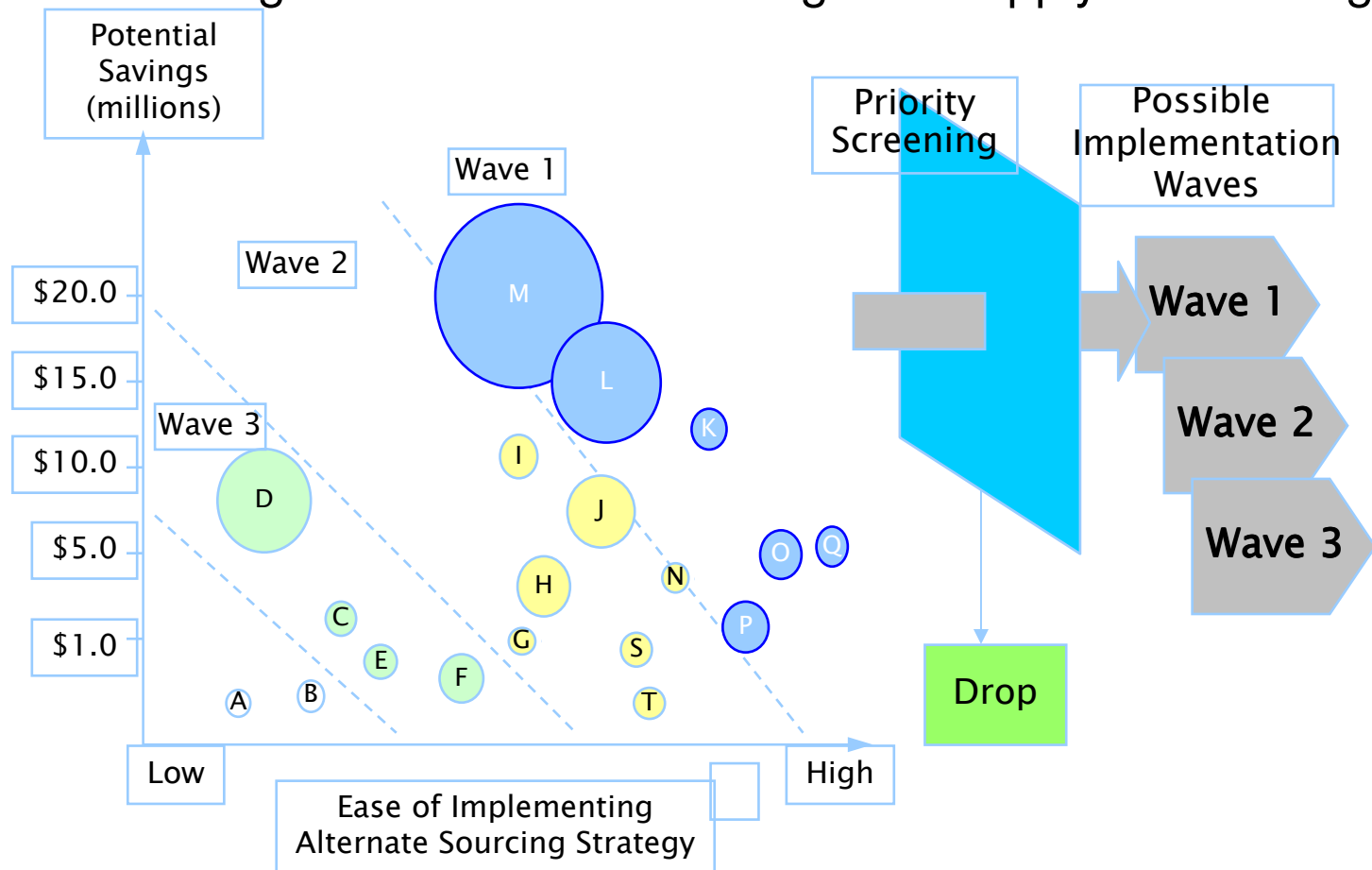
Services Sourcing Core Processes

“Best Practices” methodology and strategies to meet goals



Mapping Sourcing Pipeline

Group prioritized sourcing projects into waves to maximize the impact of our sourcing initiatives and to manage the supply base change.



Key Components

Key Components

- Planning
- Standardization of SLAs & KPIs
- EH&S
- Change Management
- Quality
- Technology
- Reporting
- Supplier Performance Management

Operating Plan

Inter-Company Teams: Identify individuals from the organization who will participate on the Operating Committee as well as their responsibilities, the frequency of meetings and issue escalation processes.

High-Level Project Plan: Summarize the important milestones of the first six and 12 months including anticipated sourcing waves, technology implementations, change management and communication activities, and Operating Committee activities.

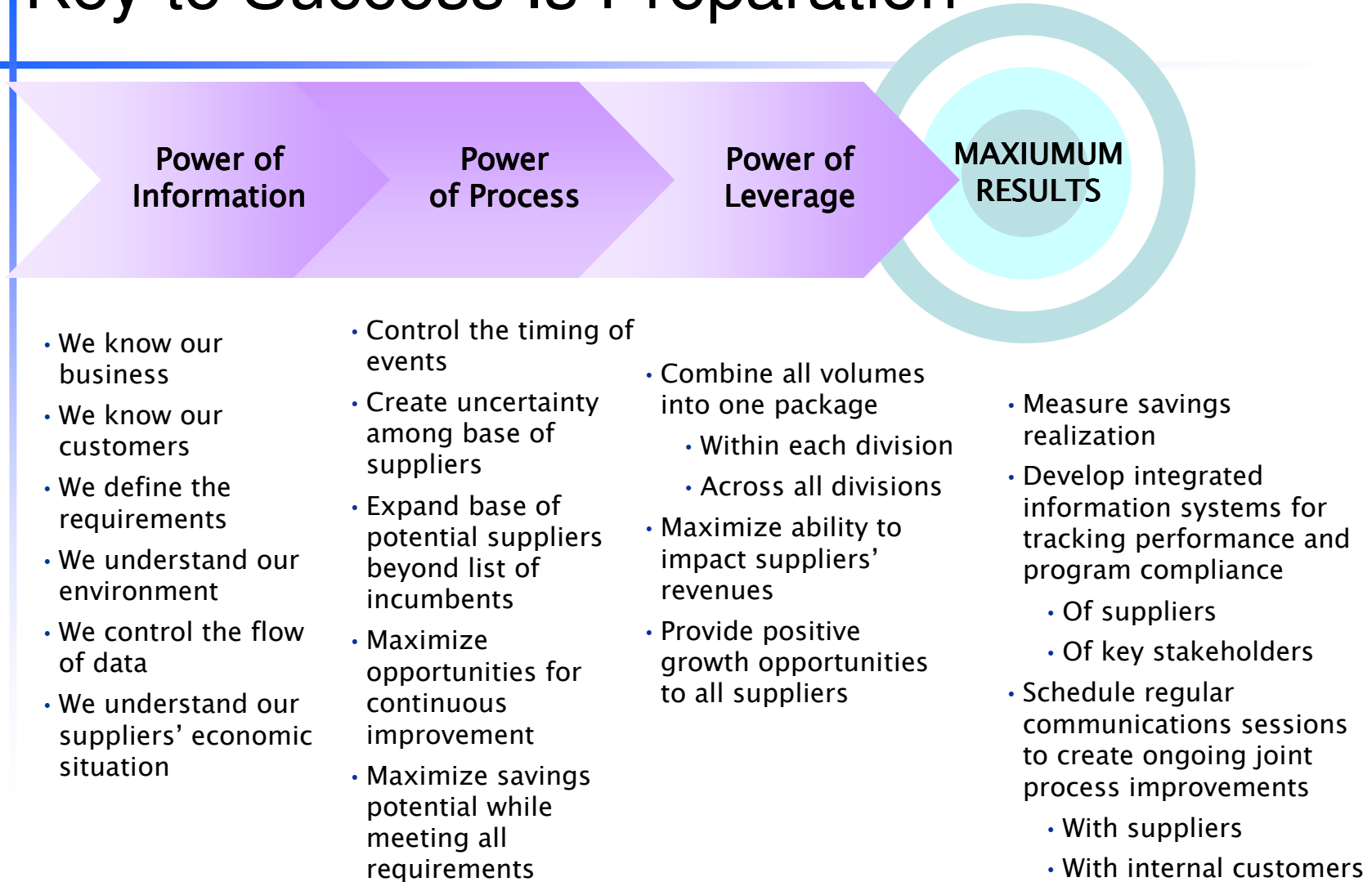
Savings Tracking: Define baselines, savings, tracking methods and performance metrics for measuring service performance.

Key Metrics: Establish quantitative and qualitative operating metrics

Procurement Operating Plan

- Key Metrics
- Savings Objectives & Goals
- Sourcing
 - Waves
 - Timelines
 - Resources
- Deployment
- Compliance Management
 - Internal adoption
 - Supplier relationship management
- Technologies
 - Expenditure analysis
 - E-sourcing
 - Project management
 - E-procurement
 - Contract management

Key to Success Is Preparation



Standardize
SLAs & KPIs

Standardize SLAs & KPIs

SERVICE 2: PLUMBING.

Contractor will obtain and manage Repair and Replacement Agreements on Plumbing for BUYER

The delivery of this service is owned by the Site Facilities Manager

KEY ACTIVITIES	PERFORMANCE LEVEL	KEY PERFORMANCE INDICATORS																														
<ul style="list-style-type: none"> Competitively bid and award Plumbing product and service Maintenance agreements, using a published Subcontracting Procedure, from experienced commercial service provider(s) Develop a regularly scheduled predictive Repair and Replacement Strategy based on Condition Assessments and Best Known Practices that will be proactive in the maintenance of Plumbing to extend the life and minimize downtime Ensure that subcontractor(s) availability are available 24/7 in order to provide emergency Plumbing Services Develop Repair and Replacement pricing agreements for Plumbing which clearly define rates for labor, material cost, mileage, and other consumable costs Spending limit for this service is \$ 250. Equipment Subcontracted: <ul style="list-style-type: none"> Plumbing (1600) Backflow Equipment 	<p>To a performance level that ensures that:</p> <ul style="list-style-type: none"> Service agreements will provide for all Labor, Material, Supervision, and Equipment to perform the service in accordance with BUYER and CONTRACTOR requirements. Annual inspection of backflow equipment is carried out. <table> <tr> <th>Priority</th><th>Begin Date</th><th>Completion Time</th></tr> <tr> <td>Scheduled</td><td>Per Schedule</td><td>Per Schedule</td></tr> </table> Reactive Maintenance / Emergency Plumbing Repair effecting non-critical equipment is provided per the guaranteed response times of: <table> <tr> <th>Priority</th><th>Response Time</th><th>Completion Time</th></tr> <tr> <td>Routine</td><td>10-15 days</td><td>15-20 days</td></tr> <tr> <td>Urgent</td><td>24 hours</td><td>2 days</td></tr> <tr> <td>Emergency</td><td>2 hours</td><td>1 day</td></tr> </table> Reactive Maintenance / Emergency Plumbing Repair effecting mission critical equipment is provided per the guaranteed response times of: <table> <tr> <th>Priority</th><th>Response Time</th><th>Completion Time</th></tr> <tr> <td>Routine</td><td>10-15 days</td><td>15-20 days</td></tr> <tr> <td>Urgent</td><td>2 hours</td><td>24 hours</td></tr> <tr> <td>Emergency</td><td>1 hour</td><td>2 hours</td></tr> </table> Provide Service contracts where the subcontractor will perform and/or coordinate its work activity in conformance with a Computerized Maintenance Management System (CMMS), and National Call Center 	Priority	Begin Date	Completion Time	Scheduled	Per Schedule	Per Schedule	Priority	Response Time	Completion Time	Routine	10-15 days	15-20 days	Urgent	24 hours	2 days	Emergency	2 hours	1 day	Priority	Response Time	Completion Time	Routine	10-15 days	15-20 days	Urgent	2 hours	24 hours	Emergency	1 hour	2 hours	<p>Measured by:</p> <ul style="list-style-type: none"> All Repair and Replace work orders completed per required response time. No incidences of failure to repair/replace plumbing hardware ensuring that each site has operating plumbing per agreed terms. No incidences of failure to inspect/test in accordance with statutory and non-statutory codes & regulations. No non-conformance with Safety procedures Supplier Performance Measurement: <ul style="list-style-type: none"> No incidences of failure to repair/ replace equipment Meeting reactive response times Customer Satisfaction Survey
Priority	Begin Date	Completion Time																														
Scheduled	Per Schedule	Per Schedule																														
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Environmental, Health and Safety

EH&S Program

1. EH&S is a core value through

- Management Ownership
- Strategic Planning
- Measurement
- Improvement

2. We monitor reductions in work-related injuries by

- Tracking metrics in our Corporate Health, Environmental, and Safety System (CHESS)
- Auditing to ensure the use of proper equipment, procedures, and training

3. We recognize achievements in EH&S with

- Our internal award system recognizes operations for safety excellence with Gold, Silver and Bronze Awards

Change Management Plan

The Dynamics of Change

Understanding the dynamics of change helps ensure success

WHY PEOPLE RESIST CHANGE

- No input
- Recent negative change experience
- Close-minded nature
- Threatens job security
- Reduces job satisfaction
- Poorly communicated
- Bad timing
- Requires additional effort and energy
- No perceived need
- Disrupts the status quo, their comfort zone
- Perceived as personal criticism
- Distrust of change initiators



WHY PEOPLE EMBRACE CHANGE

- Significant input leads to ownership
- Recent positive change experience
- Favorable manner
- Enhances job security
- Enhances job satisfaction
- Well-communicated
- Excellent timing
- Requires less effort and energy
- Strongly perceived need
- Respects work habits
- Perceived as personal praise
- Trust of change initiators

Change Management Plan

Through the process we identify the organization's "As Is" state. Once the desired state has been agreed upon based on the chosen solution approach, we develop a change management plan to identify activities required to implement the solution successfully.

The change management plan can include the following, with a goal of creating organizational readiness and acceptance of changes in business processes.

- Organization-wide communication and education program
- Road shows, seminars and workshops at all levels
- Value-based measurement and governance model
- Relationship management structure

Technology & Tools

Technology Overview

- **Global architecture**
 - Common applications used across geographies
 - End to end processing
 - Receipt of trouble call to supplier payment
- **Global geographic scope**
 - Europe, Asia Pacific, Latin America, North America
- **Global applications**
 - Call center HelpDesk and IVR
 - Maximo
 - Data warehouse and integrated reporting
 - XML data transfers with customer and supplier
 - Work order auto fax and auto email
- **Multi lingual**
 - Languages include: English, German, Italian, French, Dutch, Swedish, Greek, Danish, Norwegian, Polish, Finnish, Czech, Slovak, Bulgarian, Spanish and Portuguese, Simplified Chinese & traditional Chinese



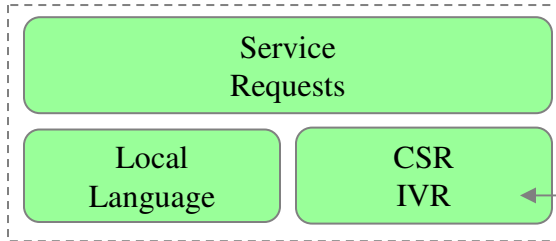
Application Overview

Phone / IVR

Service Request

Auto Monitoring Emails

HelpDesk



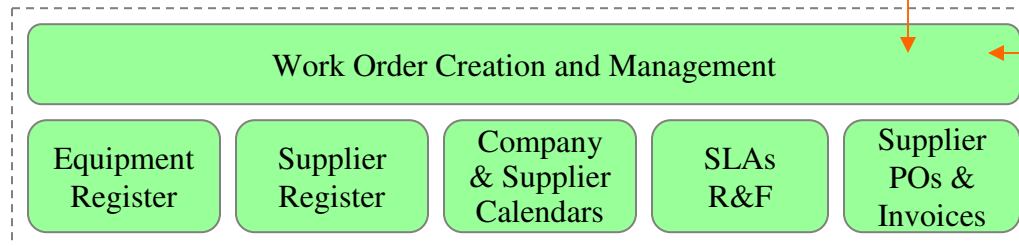
IVR Work Order Updates

XML WO Updates - secure FTP

Status Update

Suppliers

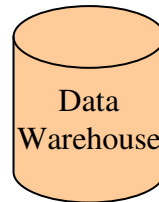
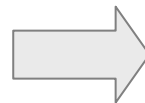
Maximo



KPIs (Equipment Downtime)
Extract data elements

Inputs

- SLAs, KPIs
- Call Center
- Spend data



KPIs Reports Company

Reports
Extract data from DW
Generate KPIs and reports

XML (Equipment, KPIs, Invoice) - Secure FTP

XML
Secure FTP

Location requesting Service call

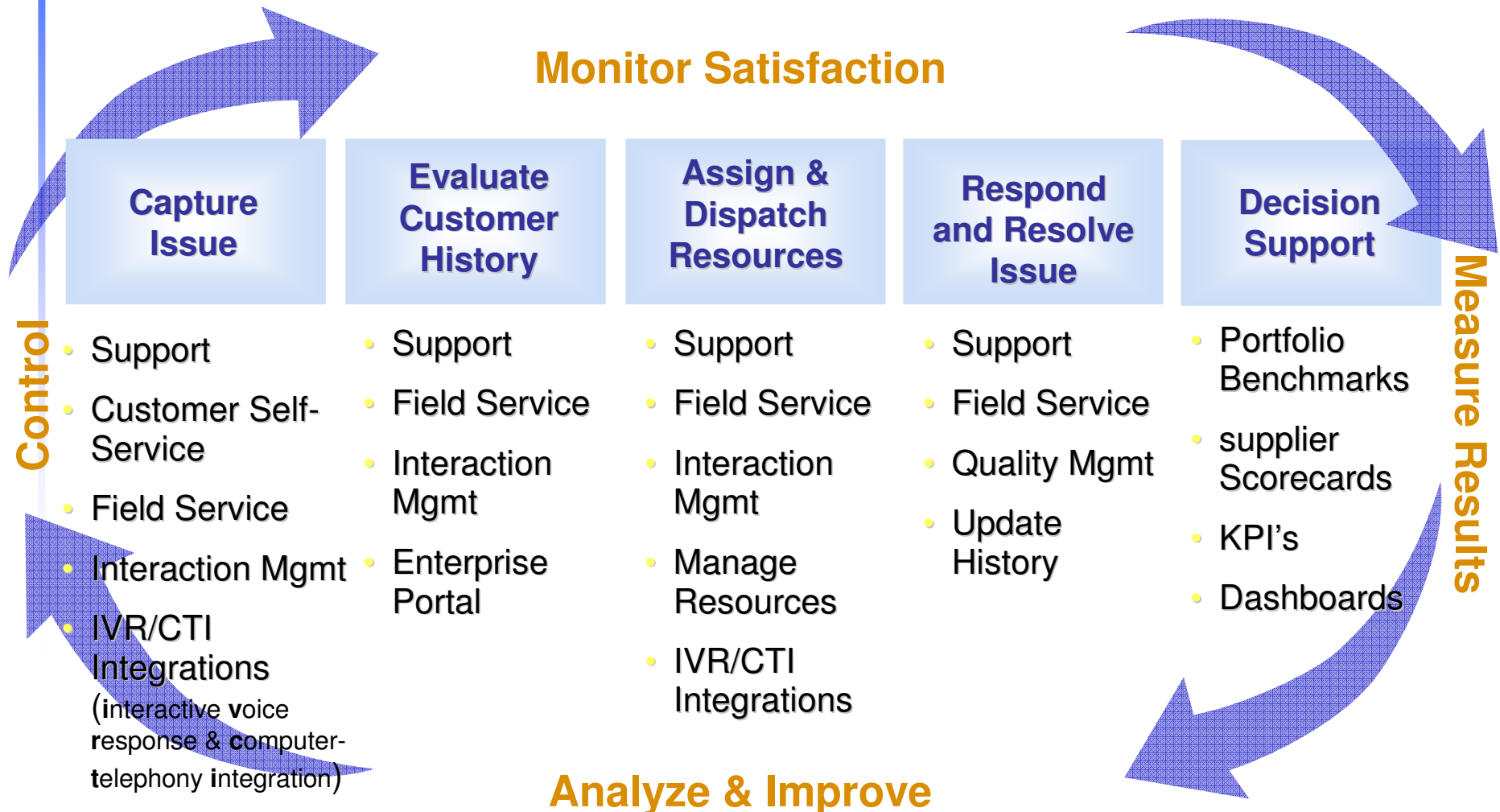


Key Technology Capabilities

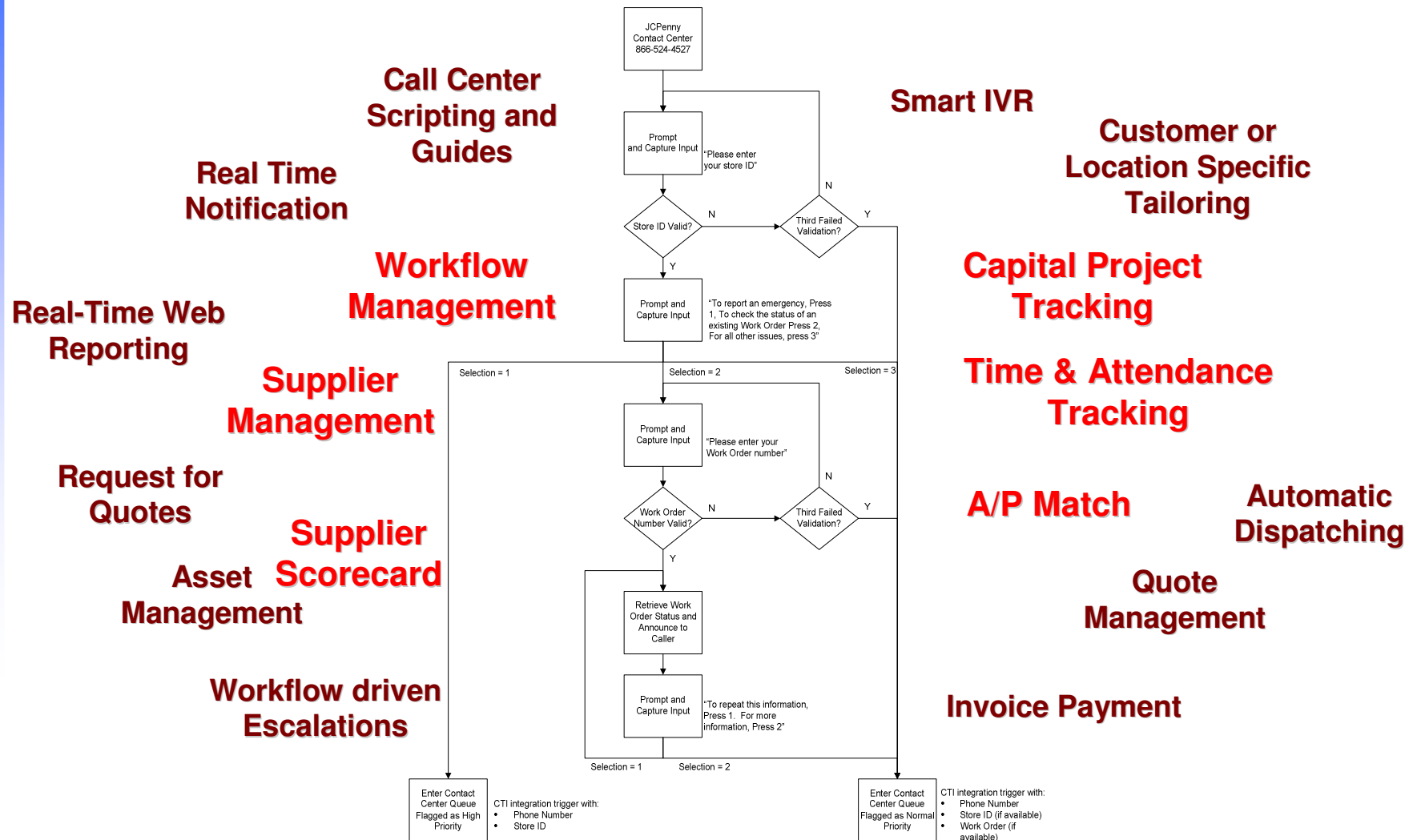
- Global architecture
- Work orders sent via fax, e-mail or xml
- Multi-lingual
- Customer provided problem codes and priorities
- Business continuity

Supplier Scorecard

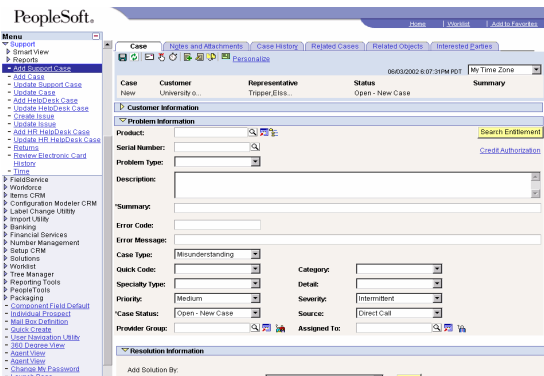
Key Is Managing Knowledge...



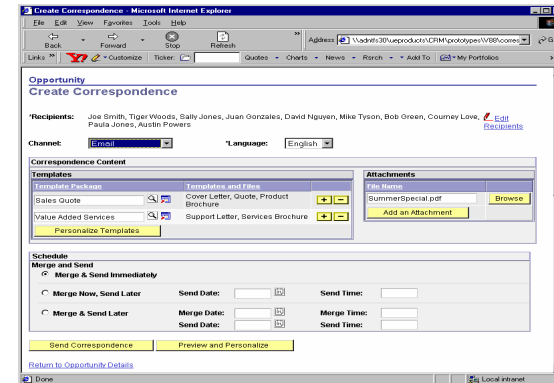
...through workflow-driven automation...



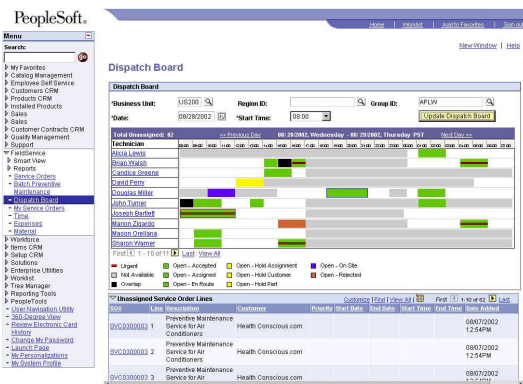
...and Effectiveness Tools



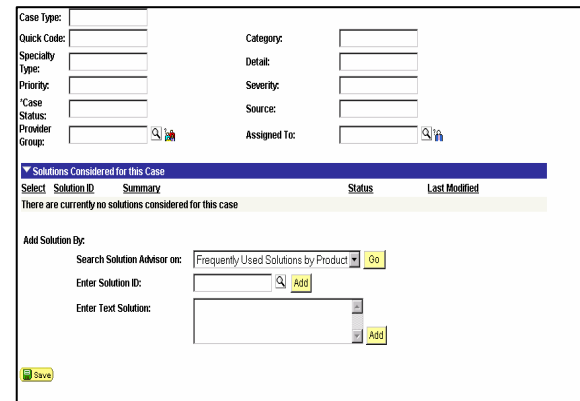
Automatic supplier or Resource Assignment



Automatic Communication Generation with call back tracking



Graphical Resource for supplier Scheduling



Automated supplier selection based on customer quality scoring

Performance Management

Features

- Customer Satisfaction Tools
- Routine Inspections
- Performance-Based Contracts
- Business Reviews
- Supplier Performance Ratings

Benefits

- Continuous Focus on Performance
- Quick Problem Identification and Resolution
- Ability to Expand Opportunities for Top Performers

Supplier Performance Rating

- Quality of Work
- Customer Satisfaction
- Service Level Compliance
- Initiative and Innovation
- Environmental, Health and Safety

Supplier Scorecard - Trends

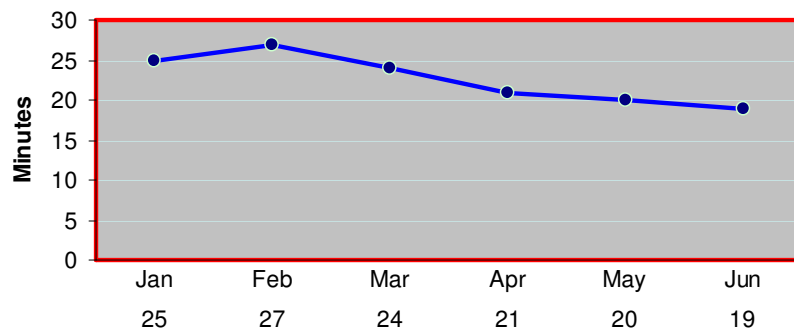
Supplier Scorecard

Supplier - Victory Electric

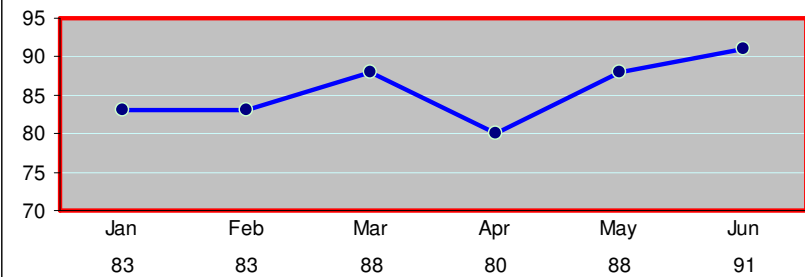
Period - January 2004 through June 2004

JUNE SCORES – AT - 19
CT - 91
RT - 60

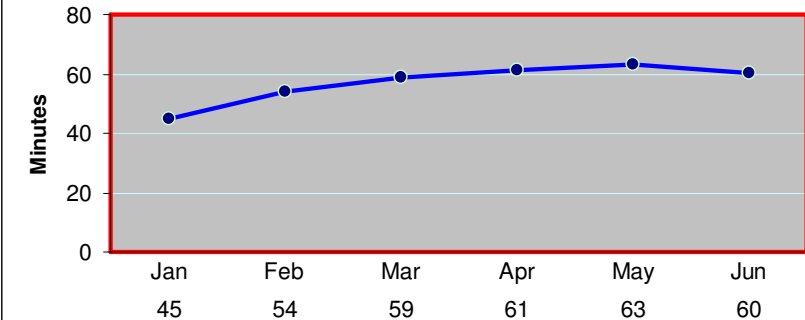
Acknowledge Time [Minutes]




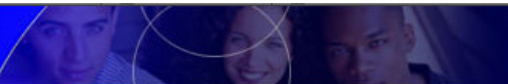
Customer Satisfaction Score



Response Time



Supplier Survey Form

FM Service Performance Measurement Database (SPM)

Existing Surveys
 By Date
 By Account
 Over Due Surveys

 View Completed Surveys
 Continent
 Country
 FM Service / Account
 Account / FM Service
 Service / Date Completed
 Account / Date Completed
 FM Service / Supplier
 Account / Supplier
 KPI / Account
 KPI / Supplier

 Print Report
 Introduction

Expand Selected

Average %	% Score								Section	Section Score
91.23%										

Survey Title:	01 Cleaning Service
Account Name:	Agilent Technologies
Site Location:	Roma
Month To Report:	April / 2005
Number of questions answered:	31
Score for questions answered:	31
Percentage score:	100%

Section:	Customer Satisfaction
No repeat call recorded by Help Desk on this service	Acceptable
All written and verbal complaints dealt with and resolved satisfactorily	Acceptable

Section:	Health / Safety & Environment
All health & safety documentation checked and in order	Acceptable
No accidents as a result of failure to comply with safe system of work, client, JCI or Supplier H&S requirements	Acceptable
Accident/Near miss reporting carried out	Acceptable
All staff have completed all inductions	Acceptable

Section:	Service Delivery
Provision of service is carried out to JCI / industry standards	Acceptable

Welcome to Spend Analysis

Home | Help | Logout

Welcome, Derrick Lock

Spend Summary

Refresh

User Reports Home

Category... Item... Payment Method... GL Account...

2003

	Q1	Q2
	\$ 294,445,191	\$ 123,969,062
	\$ 246,161	\$ 124
		\$ 12,696
	\$ 10,624	\$ 10,624
	\$ 21,531	\$ 21,531
	\$ 13,386	\$ 13,386
		\$ 2,398

Select: Location

To see data for only part of this category, select the desired items below.

- ☐ Location
 - ☐ United States
 - ☐ Central
 - ☒ IL
 - ☐ Chicago
 - ☐ Palatine
 - ☐ St Charles
 - ☐ NE
 - ☐ East
 - ☐ South

Expand to level: Location

Reset OK Cancel Apply

Organization Reports

Location Reports

GL Account Reports

Other Reports

Administration

3E LITHOGRAPHY

6FIGUREJOBS.COM

A.O. AUTO RECOVERY INC

A.O. CAREER GROUP AG

A. PLUS RECOVERY OF KNOXVILLE

A. SHARPER PALATE CATERING COMPA

A. SIGN OF QUALITY

A.A. ANDERSONS OF NOTTINGHAM

A1 RECOVERY SERVICE INC

AAA RECOVERY OF ALABAMA LLC

AB INTIO SOFTWARE CORPORATION

ABC PEST AND LAWN SERVICES

ABC SECURITY CORPORATION

ABCO PAPER COMPANY

ABEL BUSINESS FORMS

Typical Reporting Metrics

Call Center	CMMS	KPIs	Commercial/ Financial
Number of calls by CSR/IVR	Work orders in process	Number of work orders issued	Monthly/YTD spend vs. budget
Average wait time and call volume	Work orders completed but not billed	Number of high priority work orders issued	Broken out by problem code category
Calls answered <30 seconds	Work orders completed and billed	Work orders completed with SLA	Commitment variance
Average call time	Work order breakdown by site	Downtime pumps, fridge, wash	Supplier spend average cost of job accruals
Abandoned calls > 30 seconds			Work order breakdown by cost

Developing & Implementing The Program

What Differentiates Service Providers?

- Ability to understand customer's businesses, goals and culture
- Ability to integrate into the company culture
- Commitment to customer satisfaction
- Responsiveness to customer needs
- Strategic planning insights and innovation
- Ability to keep mission-critical equipment running
- Quality & Safety
- Effective use of technology

Services Sourcing Program

Standardize services sourcing strategic solutions for delivering outcomes that create zero accident cultures, green buildings, cost savings, continuous improvement, and a diverse supply base.

Best Practices Supporting Processes

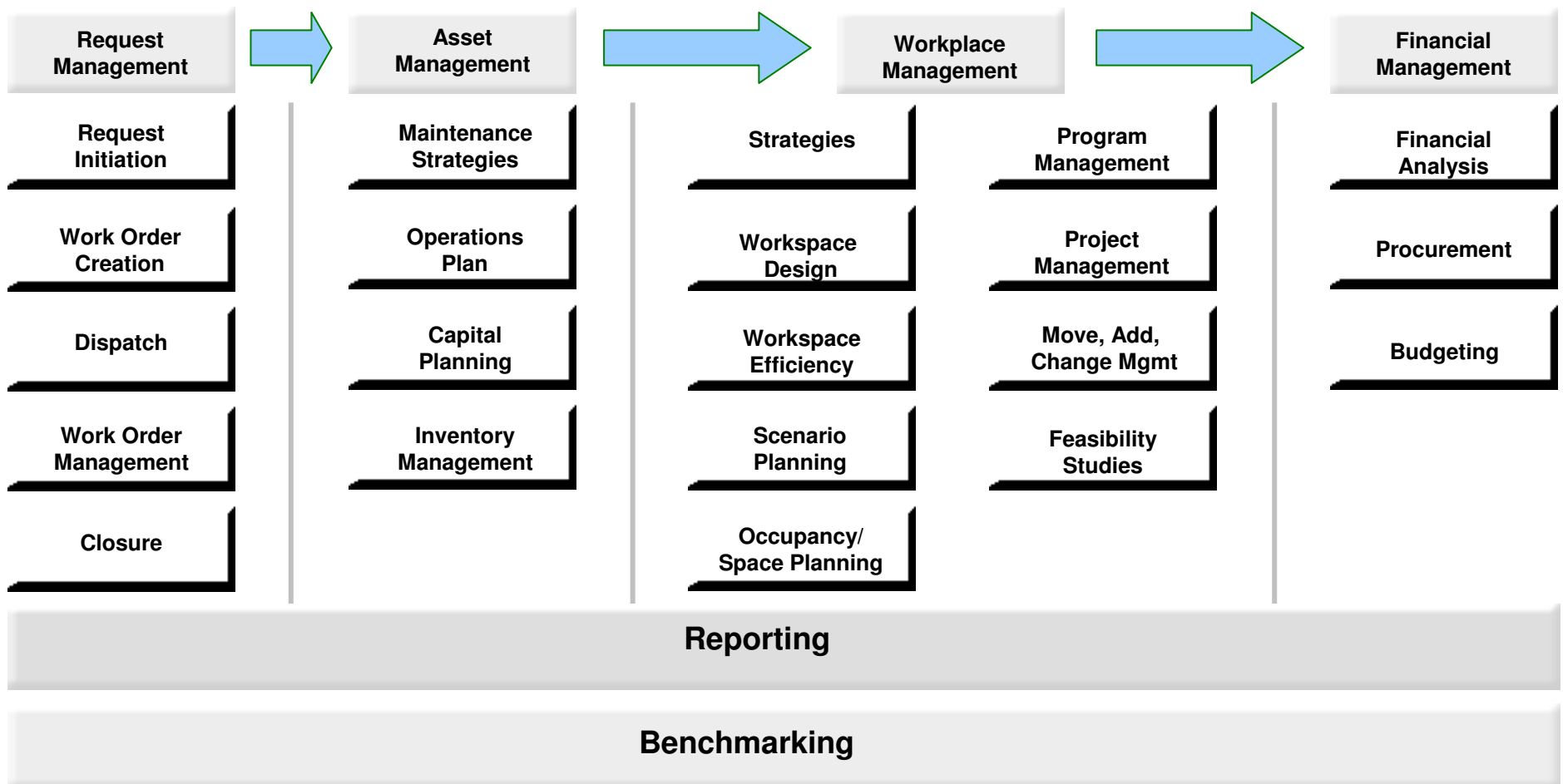
Solution Team

- Solution Reporting
- Performance Measurement



Internal Customer

- Portal
- Web Service Requests

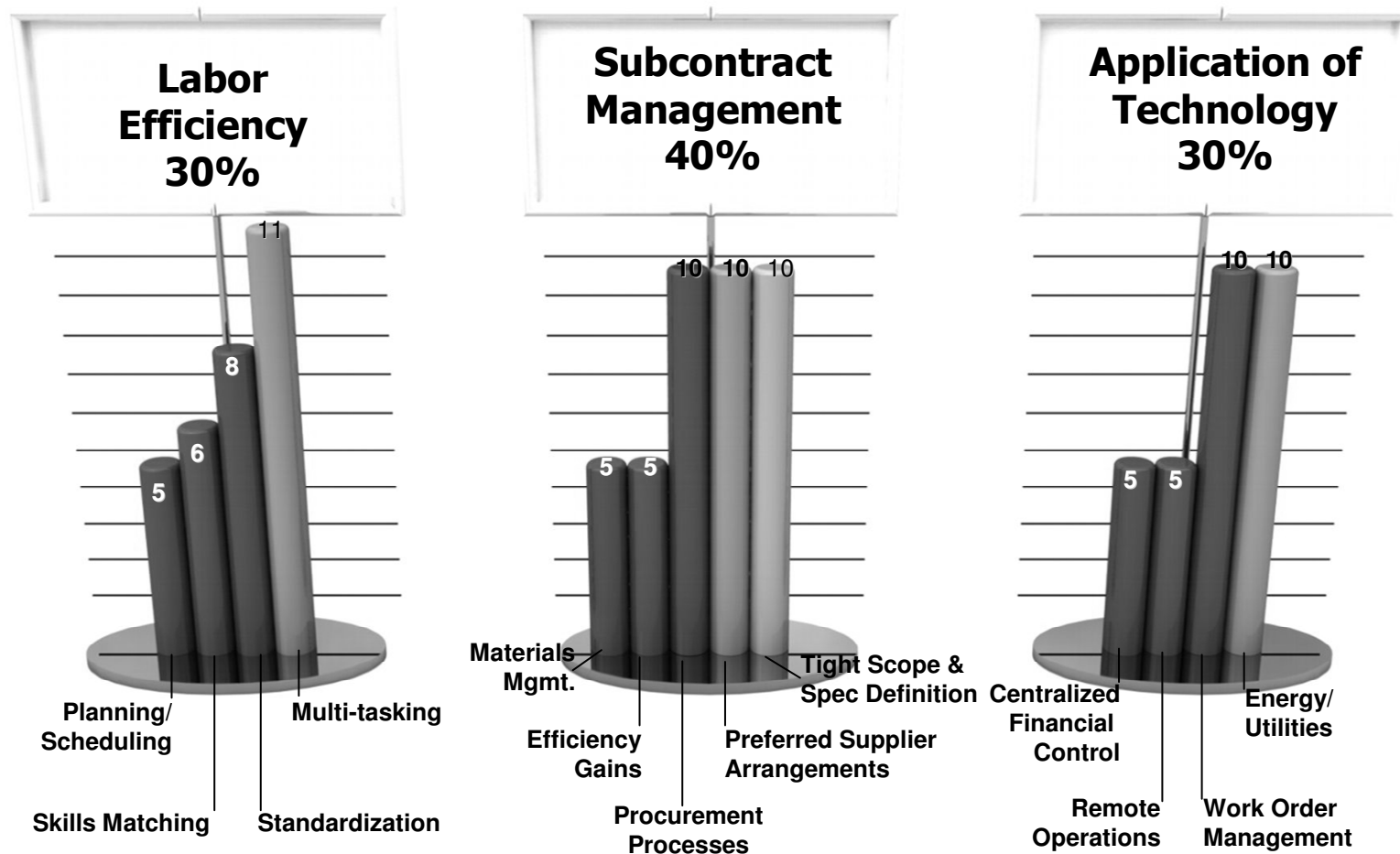


Services Sourcing Program

Best Price

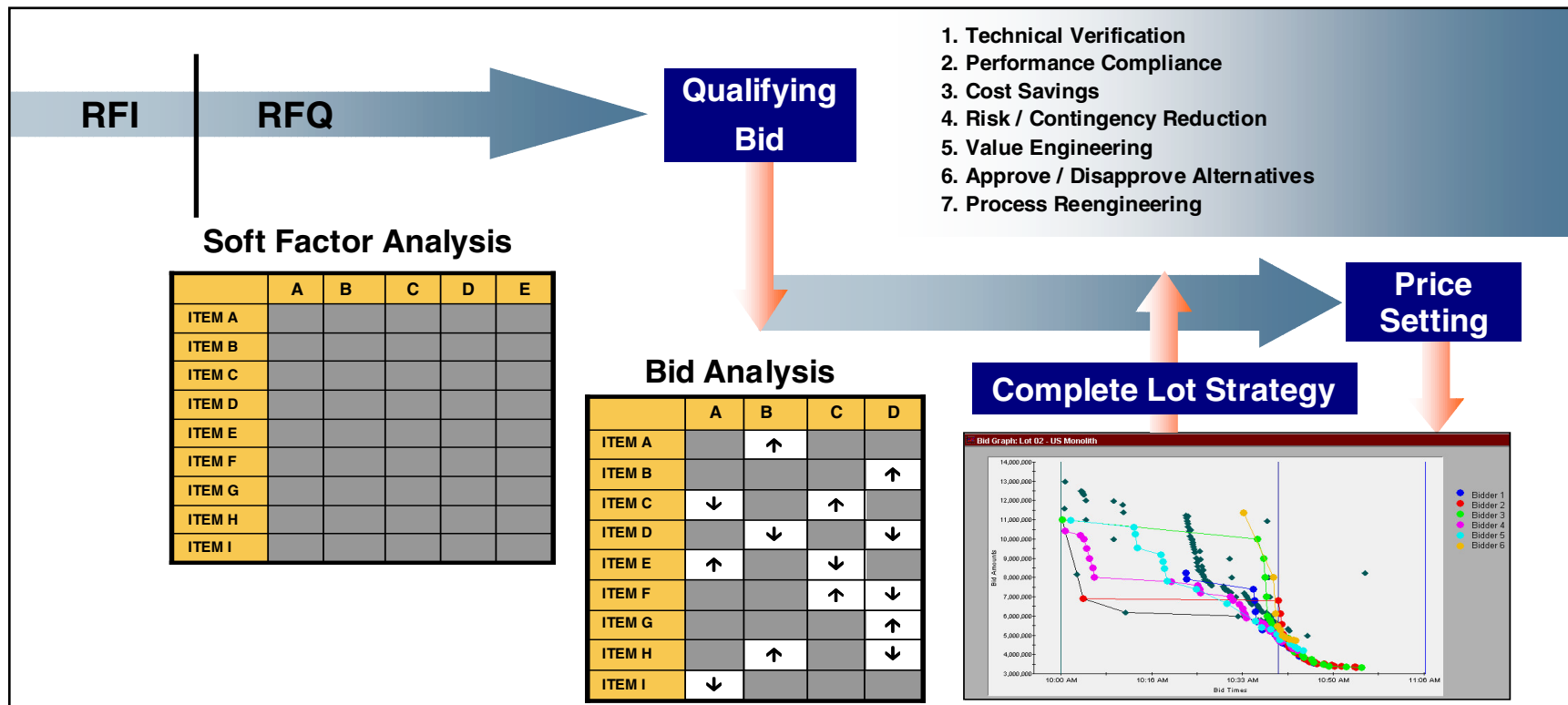
- Leverage Procurement
- Drive Out Inefficiencies
- Process Improvement
- Industry Recognized Optimal Solution

Cost Reduction Targets



Advanced Procurement Processes

The Advanced Procurement Process is designed to deliver savings by pre-qualifying and motivating the best suppliers and contractors to be efficient and innovative. The two stage process allows a review of non-price factors, and takes into account such variables as life cycle costs, contractor and supplier capabilities, and value engineered solution variables.



Services Sourcing Program

Consistency

- Standard Processes Embedded in Suppliers' Delivery
- Strategy and Associated Processes for the Function
- Methodology to ensure consistent performance

Services Sourcing Program

Operational Excellence in Execution

- Walk the Talk through performance measurement
- Use of technology where appropriate
- Solid Supplier Infrastructure
- Three Tiers of Support

Services Sourcing Program

Industry Recognized Optimal Solutions

- Current Functional Trends
- Harmonized Service Level Agreements
- Acceptable Industry Practices
- Benchmarking

Services Sourcing Program

Quality Assurance

- Supplier Quality Program
- Ability to Report
- Supplier Performance Evaluations
- Performance Measurements
- Infrastructure for Large Operations
- Back-office

Services Sourcing Program

Performance Metrics

- Cost Reductions
- Quality Audits
- Trends
- Root Cause Analysis
- Safety

Subcontract Management Strategies

Features

- Outcome-Based Specifications
- Performance-Based Contracts
- Approach to Materials and Equipment
- Supplier Consolidation

Benefits

- Lower Labor Costs
- Better Performance
- Lower Supplies Costs
- Continuous Efforts on Optimization

Results

- Establishing Global, Country, Regional and local standards and specifications
- Utilizing a variety of tools to source required products and services
- Rationalization of supplier base is an ongoing process
- Where programs have been implemented, cost reductions and process improvements have resulted that have met or exceeded target
- Standardizing technology across the enterprise is key and is not yet completed
- Building data warehouse to collect, analyze and manage key spend and supplier performance metrics is underway

Questions & Answers