

Realignment of Corporate Facility Management (CFM) at a German top 5 universal bank

Challenge

Our client's objective was to reduce costs while increasing the process efficiency within its CFM. At the same time, it wanted to check options for reducing excess internal services so it could better focus on its core business. After analysing corporate CFM across the board, the team identified a number of administrative bottlenecks – caused by the high number of external service providers and the diversity of service levels. On the other hand, location costs and space optimisation were not being controlled as well as they could have been. The team was tasked with examining organisational structures – both regionally and centrally – to see if there were functional overlaps. Moreover the team was evaluating ways of realigning structures to be more process-oriented.

Approach

After examining the structural setup, the team significantly reduced the number of external service providers. In order to reduce property costs, the team unified service levels and streamlined services, creating a process-orientated organisation.

In order to reduce the number of external service providers, the team developed a request for proposal, with the main aim of identifying an integrated service provider of technology and infrastructure facility management. This comprised:

- Creating a detailed project plan, including milestones and a clear timeline for each outstanding activity
- Defining “integrated service provider” and “security and cleaning service” outsourcing packages, taking into account detailed service demands and price models for evaluation by potential partners
- Leading negotiations with service providers and then implementing the agreements

Results

Together with the client, CFM was completely outsourced, amounting to a total volume of €50 million. This enabled significant economies of scale to be reached through negotiations with service providers. By selecting a partner, who, in future, would to a large extent be responsible for operative and controlling functions, the client was able to realise a significant reduction in overlapping functions and administrative bottlenecks. Additionally, the bank was able to free significant productivity reserves. The utilisation of these extra reserves were realised in the next project phase.

For more information, please feel free to contact us.