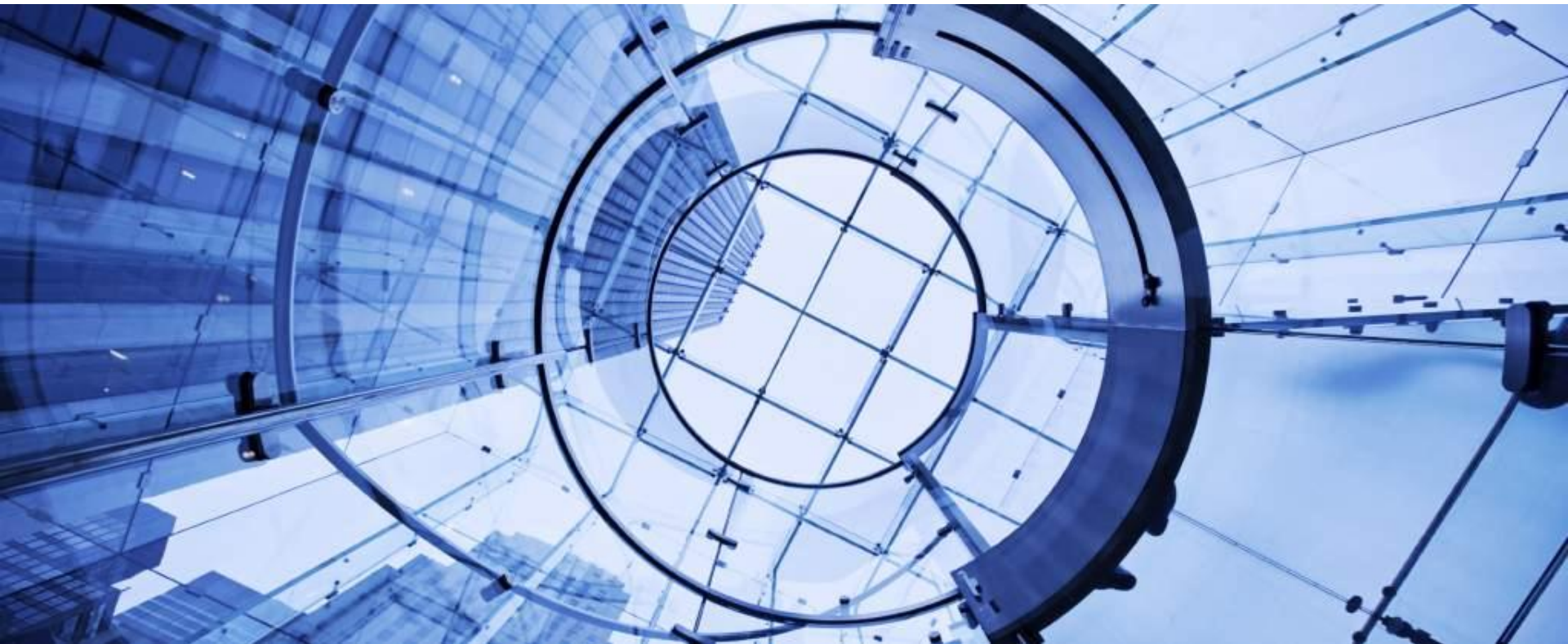


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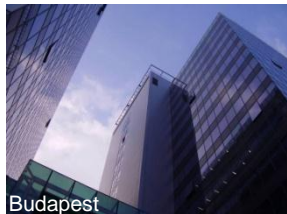
## Integrated Facility Management: Focus on Key Account IBM

Otto Kajetan Weixler, Member of the Executive Board of Bilfinger Berger Facility Services GmbH

November 30, 2011



# Overview of the IBM Key Account



**HSG Zander Key Account IBM** **HSG zander**

- Contract since 1996
- Currently 16 countries
- Total volume approx. € 65m p.a. (approx. 470 employees)

**Service portfolio**

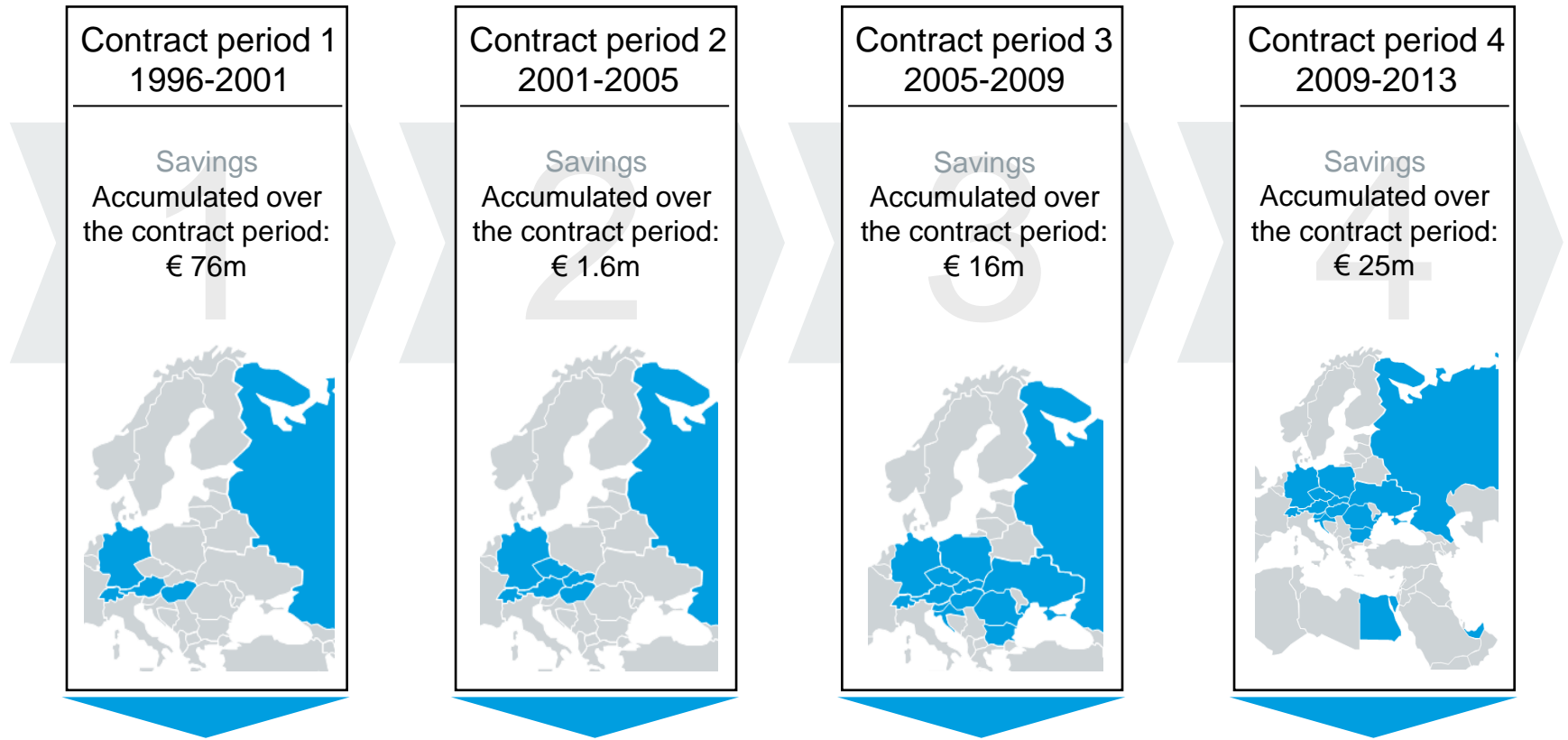
- Integrated FM (technical FM, infrastructural FM, and commercial services)
- Energy optimization
- Lead consult (design & construction)
- For all office buildings, data centers, call centers, and research institutes

**IBM Facilities**

- More than 200 locations
- Total area of more than 1,200,000 m<sup>2</sup>




## Historical development




In total, cost savings of approximately € 120m have been realized since 1996


## Contract period 1 (1996-2001)

Countries	Service range	Key facts
 <p><b>Germany, Austria, Switzerland, Hungary, Russia</b></p>	<ul style="list-style-type: none"> <li>▪ Technical FM</li> <li>▪ Infrastructural FM                             <ul style="list-style-type: none"> <li>– Routine cleaning</li> <li>– Mail services</li> <li>– Facility services</li> <li>– Floor-space management</li> </ul> </li> <li>▪ Front desk services</li> <li>▪ Security services</li> <li>▪ Access control</li> <li>▪ Lawn and garden maintenance</li> </ul>	<ul style="list-style-type: none"> <li>▪ First outsourcing activity of IBM in the field of real estate</li> <li>▪ Savings contract with 35% guaranteed savings; Total accumulated over the contract period: € 76 m</li> <li>▪ Transfer of approx. 100 IBM employees to HSG Zander IS GmbH</li> </ul>

## Contract period 2 (2001-2005)


Countries	Service range	Key facts
 <p><b>Germany, Austria, Switzerland, Hungary, Russia, Czech Republik, Slovakia</b></p>	<p>Contract extension:</p> <ul style="list-style-type: none"> <li>▪ Full responsibility for security services, security management, and security administration</li> <li>▪ Extension of the provided services towards energy management, CAD applications, space and inventory management with customer software</li> </ul>	<ul style="list-style-type: none"> <li>▪ Modified contract model; Guaranteed Maximum Price (GMP) model</li> <li>▪ Inclusion of IBM subsidiaries (e.g. ISC, Sercon, Lotus, CSG) in the contract; approx. 30 locations</li> </ul>

## Contract period 3 (2005-2009)

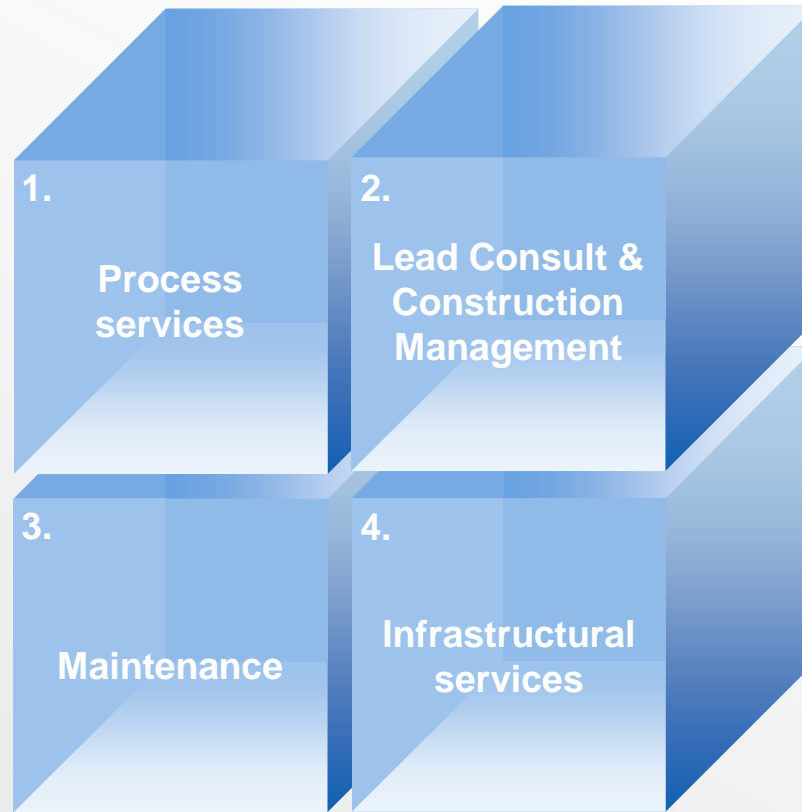
Countries	Service range	Key facts
 <p><b>Germany, Austria, Switzerland, Hungary, Russia,, Czech Republic, Slovakia, Slovenia, Croatia, Romania, Bulgaria, Ukraine</b></p>	<p>Contract extension:</p> <ul style="list-style-type: none"> <li>▪ Standardization and harmonization of energy management in all countries with target savings of 4% p.a.</li> <li>▪ Introduction of Lead Consult &amp; Construction Management in Germany, Austria and Switzerland</li> <li>▪ Construction supervision and operation responsibility for several high-availability data centers</li> </ul>	<ul style="list-style-type: none"> <li>▪ GMP contract model</li> <li>▪ Savings accumulated over the contract period: €16 m</li> <li>▪ Further focus on geographic expansion</li> </ul>



## Contract period 4 (2009-2013)

Countries	Service range	Key facts
 <p><b>Germany, Austria, Switzerland, Hungary, Russia,, Czech Republic, Slovakia, Slovenia, Croatia, Romania, Bulgaria, Ukraine, <u>Egypt, UAE, Saudi Arabia</u></b></p>	<p>Contract extension:</p> <ul style="list-style-type: none"> <li>▪ Implementation of new global IT tools for power and efficiency control</li> <li>▪ Expanded scope of services with SLA-complementing method statements</li> <li>▪ Energy contracting measures; Investment of approx. € 10m</li> <li>▪ Extension of Lead Consult &amp; Construction to 16 more countries</li> </ul>	<ul style="list-style-type: none"> <li>▪ GMP contract model</li> <li>▪ Harmonized contract for the entire EMEA region</li> <li>▪ Savings accumulated over the contract period: € 25m</li> <li>▪ Definition of uniform Service Levels across the EMEA region for various building categories and zones</li> </ul>

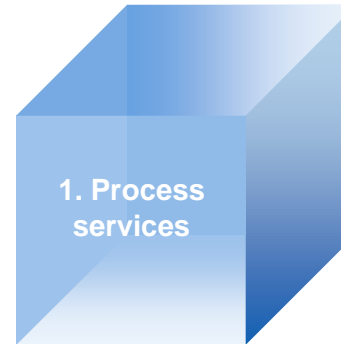
# Integrated Facility Services





# 1. Process Services

- a. Help desk services
- b. Energy management
- c. Environmental management and QHSSE



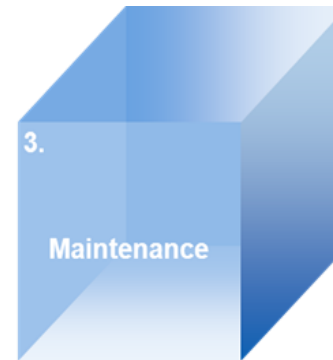
## 2. Lead Consult & Construction Management

- a. Planning
- b. Implementation
- c. Project close-out



## 3. Maintenance

- a. Building Technology
- b. Maintenance of Outdoor Installations
- c. Maintenance of the building fabric



## 4. Infrastructural services

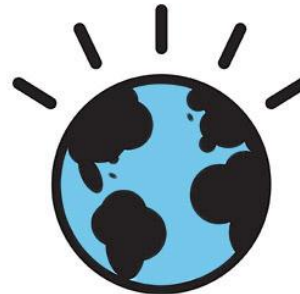
- a. Cleaning and waste disposal
- b. Security services
- c. Floor-space management



## Key Account IBM Model 'Smarter Planet'

### Targets

- Product development for BBFS Smart Metering solutions, IBM Monitoring solutions, and Campus Energy Management Systems, incl. eMobility (eSmart)
- Joint development of a common branded product
- Practice-oriented pilot project
- Joint appearance at CeBIT and Expo Real
- Further development of the demo cases for the Expo Real 2011
- Usage of the location Ehningen as a base for the CeBit showcase



### Customer benefit

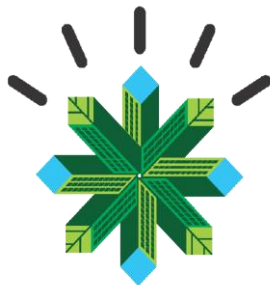
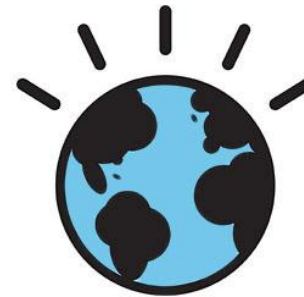
- Reduction of CO2 emissions
- Reduction of energy consumption per m<sup>2</sup>
- Efficiency increase for maintenance
- Cost reduction via floor-space management
- Transparency of costs
- Optimized service quality
- Index system for cost-benefit analyses

# Smarter Buildings @ IBM

Together, Bilfinger Berger Facility Services and IBM are pioneers in sustainable services

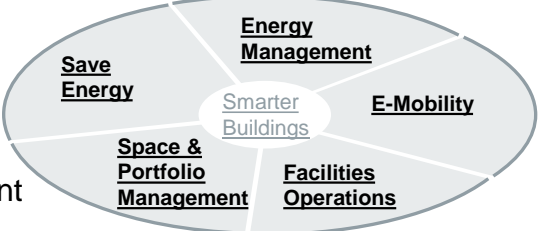
**Initiators and cooperation partners**

- Bilfinger Berger Facility Services
  - HSG Zander
  - m+p Group
- IBM Germany

**5 modules**

- Space & portfolio Management
- Facilities operations
- Save energy
- E-mobility
- Energy management

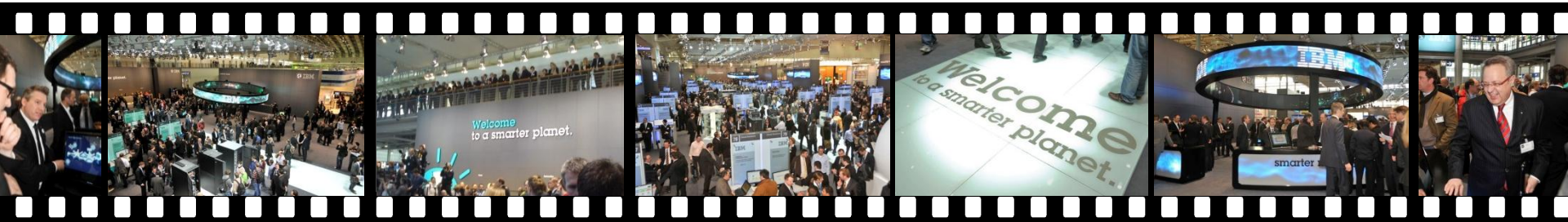


# Impressions CeBIT 2011



## Milestones

- Presentations at CeBIT and Expo REAL 2011
- Realization of a model project at the IBM locations Ehningen and Böblingen
- Development of a common service portfolio





# Trends in the Facility Services Market Using the example of Key Account IBM



**Performance  
Orientation**



**Globalization**



**Complex Customer  
Solutions**

## Trends in the Facility Services Market Using the example of Key Account IBM



### Performance Orientation

- Service level agreements on an international level
- Constant development & adjustment of SLAs and KPIs
- Quality standards & reporting systems across borders
- Continuing optimization processes / cost reduction for the customer
- Centrally controlled and implemented in an efficient, decentralized, and flexible manner

## Trends in the Facility Services Market Using the example of Key Account IBM



### Globalization

- “Follow our friends”, growing with our customers
- Internationalization of German standards
- New services such as energy management with high optimization potential
- Own operative capability with guaranteed quality
- International control competence for big portfolios with cost security for the customer

## Trends in the Facility Services Market Using the example of Key Account IBM



### Complex Customer Solutions

- Strong connection to the customer's core business
- Strategic partnership with long-term orientation (including common branded product development)
- Extension of the service portfolio
- Further development of own products as a facility services system partner
- Creation of a win-win situation

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