Integrated Facility Management: Focus on Key Account IBM

Otto Kajetan Weixler, Member of the Executive Board of Bilfinger Berger Facility Services GmbH
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Overview of the IBM Key Account

HSG Zander Key Account IBM

- 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 m²
In total, cost savings of approximately €120m have been realized since 1996.
Contract period 1 (1996-2001)

<table>
<thead>
<tr>
<th>Countries</th>
<th>Service range</th>
<th>Key facts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany, Austria,</td>
<td>Technical FM</td>
<td>First outsourcing activity of IBM in the field of real estate</td>
</tr>
<tr>
<td>Switzerland,</td>
<td>Infrastructural FM</td>
<td>Savings contract with 35% guaranteed savings; Total accumulated over the</td>
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<tr>
<td>Hungary, Russia</td>
<td>– Routine cleaning</td>
<td>contract period: € 76 m</td>
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<td></td>
<td>– Mail services</td>
<td>Transfer of approx. 100 IBM employees to HSG Zander IS GmbH</td>
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<td></td>
<td>– Facility services</td>
<td></td>
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<td></td>
<td>– Floor-space management</td>
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<td></td>
<td>Front desk services</td>
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<td></td>
<td>Security services</td>
<td></td>
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<tr>
<td></td>
<td>Access control</td>
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<tr>
<td></td>
<td>Lawn and garden maintenance</td>
<td></td>
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</tbody>
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Contract period 2 (2001-2005)

Countries

Germany, Austria, Switzerland, Hungary, Russia, Czech Republik, Slovakia

Service range

Contract extension:
- Full responsibility for security services, security management, and security administration
- Extension of the provided services towards energy management, CAD applications, space and inventory management with customer software

Key facts

- Modified contract model; Guaranteed Maximum Price (GMP) model
- Inclusion of IBM subsidiaries (e.g. ISC, Sercon, Lotus, CSG) in the contract; approx. 30 locations
**Contract period 3 (2005-2009)**

<table>
<thead>
<tr>
<th>Countries</th>
<th>Service range</th>
<th>Key facts</th>
</tr>
</thead>
</table>
| Germany, Austria, Switzerland, Hungary, Russia, Czech Republic, Slovakia, Slovenia, Croatia, Romania, Bulgaria, Ukraine | Contract extension:  
- Standardization and harmonization of energy management in all countries with target savings of 4% p.a.  
- Introduction of Lead Consult & Construction Management in Germany, Austria and Switzerland  
- Construction supervision and operation responsibility for several high-availability data centers | - GMP contract model  
- Savings accumulated over the contract period: €16 m  
- Further focus on geographic expansion |
## Contract period 4 (2009-2013)

### Countries

- Germany
- Austria
- Switzerland
- Hungary
- Russia
- Czech Republic
- Slovakia
- Slovenia
- Croatia
- Romania
- Bulgaria
- Ukraine
- Egypt
- UAE
- Saudi Arabia

### Service range

**Contract extension:**

- Implementation of new global IT tools for power and efficiency control
- Expanded scope of services with SLA-complementing method statements
- Energy contracting measures; Investment of approx. € 10m
- Extension of Lead Consult & Construction to 16 more countries

### Key facts

- **GMP contract model**
- **Harmonized contract for the entire EMEA region**
- **Savings accumulated over the contract period: € 25m**
- **Definition of uniform Service Levels across the EMEA region for various building categories and zones**
Integrated Facility Services

1. Process services
2. Lead Consult & Construction Management
3. Maintenance
4. Infrastructural 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’

<table>
<thead>
<tr>
<th>Targets</th>
<th>Customer benefit</th>
</tr>
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<tbody>
<tr>
<td>- Product development for BBFS Smart Metering solutions, IBM Monitoring solutions, and Campus Energy Management Systems, incl. eMobility (eSmart)</td>
<td>- Reduction of CO2 emissions</td>
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<td>- Joint development of a common branded product</td>
<td>- Reduction of energy consumption per m²</td>
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<td>- Practice-oriented pilot project</td>
<td>- Efficiency increase for maintenance</td>
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<td>- Joint appearance at CeBIT and Expo Real</td>
<td>- Cost reduction via floor-space management</td>
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<td>- Further development of the demo cases for the Expo Real 2011</td>
<td>- Transparency of costs</td>
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<td>- Usage of the location Ehningen as a base for the CeBit showcase</td>
<td>- Optimized service quality</td>
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<td></td>
<td>- Index system for cost-benefit analyses</td>
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</tbody>
</table>
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

- 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

Milestones
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

- 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

- “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

- 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

Complex Customer Solutions
Capital Markets Day 2011
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