DeTeImmobilien

Turn Inside Out

Lessons Learned on turnig an internal FM Service Provider into a real market player

Dr. Florian Stetter

STRABAG

Challenging situation for DeTeImmobilien (DTI) …..

DeTeImmobilien

DeTeImmobilien (DTI) is the Facility Management unit of Deutsche Telekom

Deutsche Telekom

- 64 millions sqm of real estate
- app. 53.000 objects /40 bn.€ assets
- including everything from office space, retail, computer centers to TV towers, mobile antenna und high secured bunkers
- High competition and cost pressure due to agressive competitors (eg Vodafone) and enormous investmensts

DeTeImmobilien

- app. 10.000 employees (FTE)
- app. 800 mil.€ turnover – No.1 !
- 100% for Deutsche Telekom (DT) mailny in Germany
- 150 mil.€ operting loss / app. 180 mil.€ profit gap – at double market prices
- avg. age: 51 years / < 30 years: 5 %

STRABAG

…but the soft facts matter even more

DeTeImmobilien

- „Last idiots“
- Customers without any conviction
- Lead by union member (Verdi)
- No market / business DNA

…**but clear positive aspects:**

- High technical expertise (UPS, air conditioning, antenna, 24/7)
- Committed staff („proud to be with DTI“)

STRABAG

The key underlying conflict: comply to corporate standards - but performe as your market

DeTeImmobilien

Deutsche Telekom

Stick to the corporate rules and standards

DeTeImmobilien

Performe as the market by quality and profit

DeTeImmobilien

- e.g. inherited cost structure (DT tariffs and incentive schemes, career paths, employees rights, ...)
- e.g. given organizational building rules (branch offices, hierachies, special staff, 120 released employee council members, ….)
- e.g. inherited personell (spare capacities of the telco-business, aging staff but a no-hire-policy, being non-core staff of 2nd class, …)
- e.g. given corporate IT landscape of a telco (not of a FM service provider..)

STRABAG

What did we do …. and what worked quite fine?

DeTeImmobilien

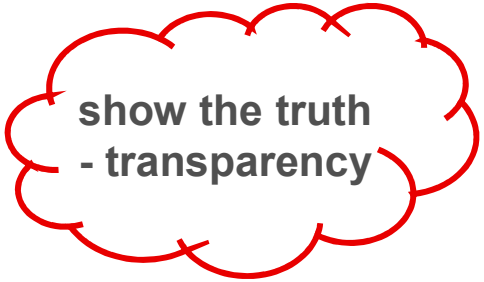
principle decision: „we stick to the DT rules UNLESS they do not fit to our market „

- Introduced specific tariff structure (for non-managerial staff)
- Kept our supply chain responsibilty
- Kept our IT responsibilty

STRABAG

Lessons Learned - 10 little insights how to get the job done

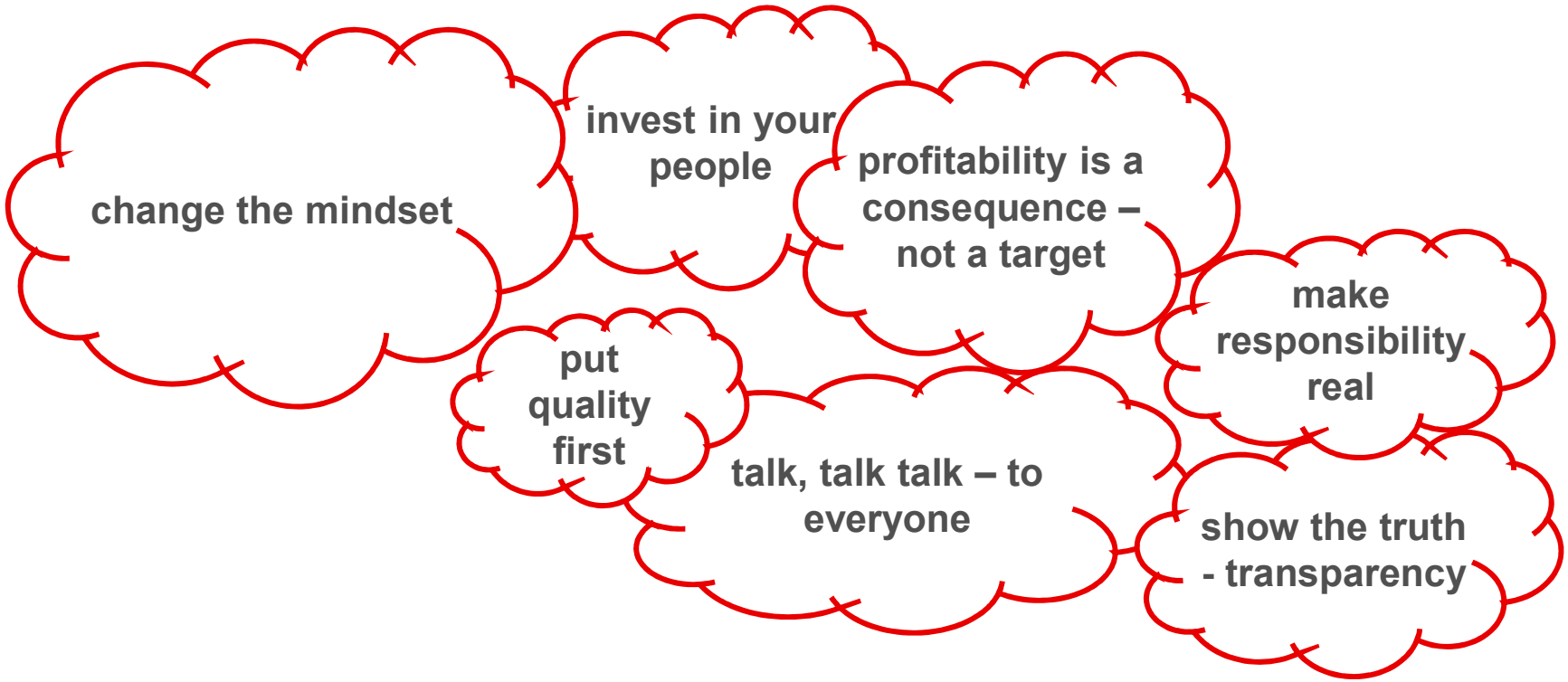
DeTeImmobilien



STRABAG

Lessons Learned - 10 little insights how to get the job done

DeTeImmobilien



STRABAG

Lessons Learned - 10 little insights how to get the job done

DeTeImmobilien

STRABAG

Understand quality as a hard-fact controlling topic…
…with a remarkable impact !

DeTeImmobilien

put quality first

emotional costs:

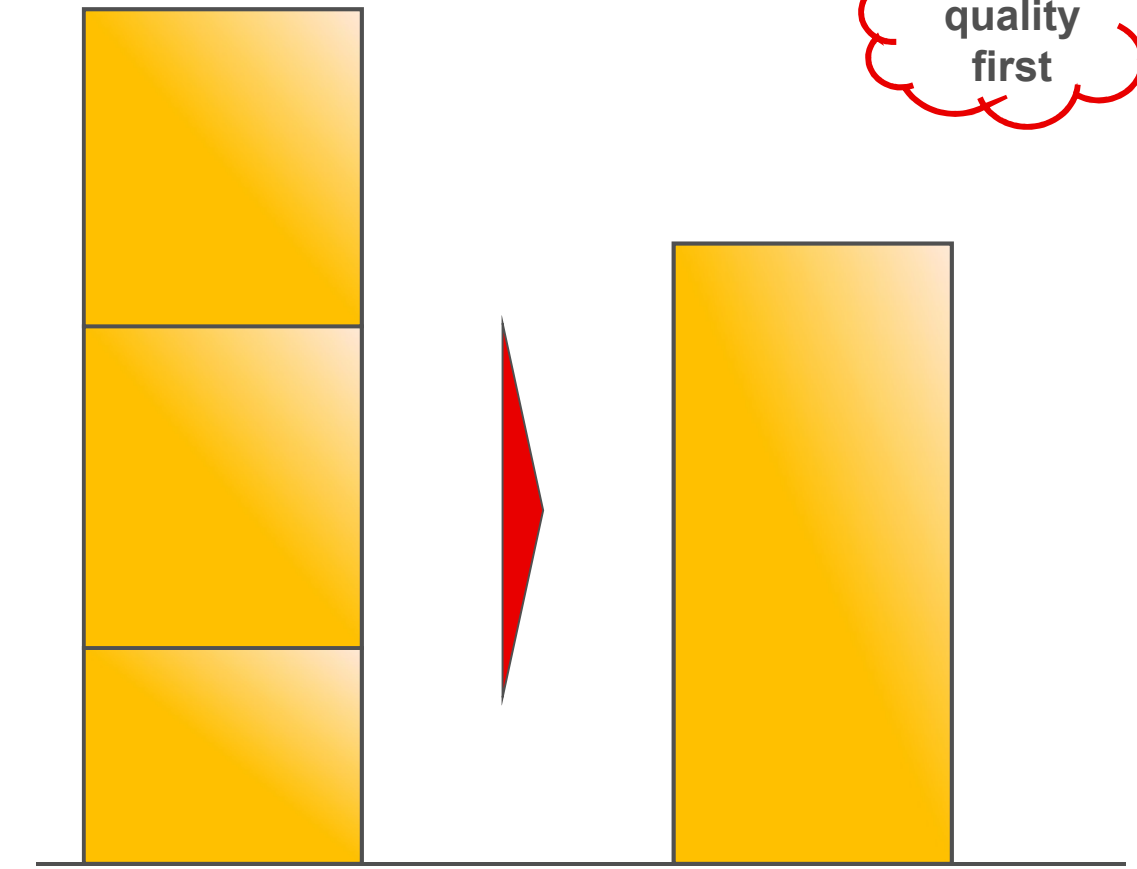
- anxious employees
- disapointed customer costs
- lost opportunites
- reputation damage
- ….

indirect cost effets:

- intensify monitoring
- QM-actions
- time loss / delays
- distracted attention
- ….

direct cost effets:

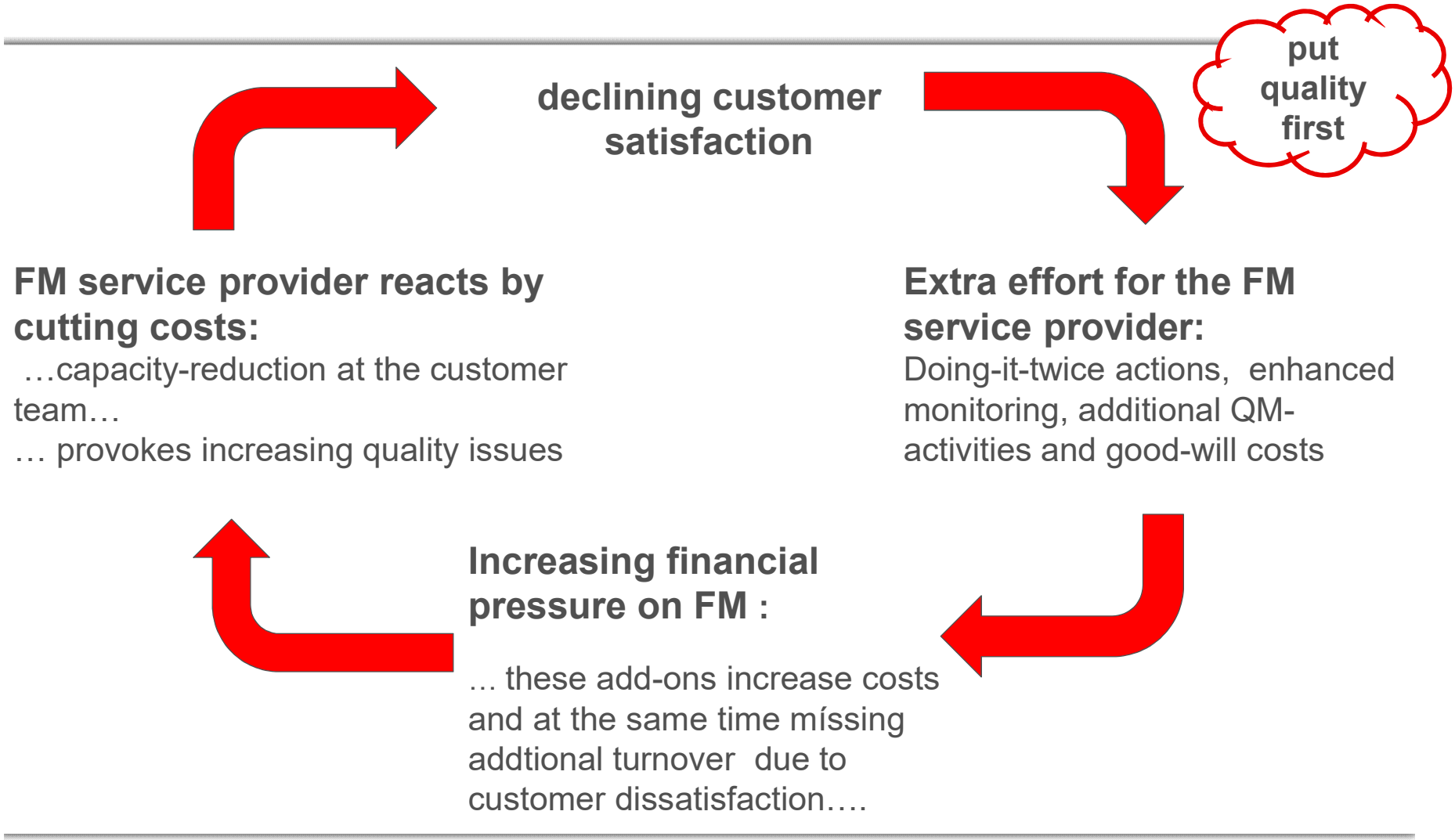
- Doing-it-twice
- discounts
- handling costs
- ….



STRABAG

Watch the this loop!

DeTeImmobilien



STRABAG

Balance Scorecards is a hollistic and fact-base mirror to performance

DeTeImmobilien

BSC DTI-Gesamt Berichtsperiode 12/2006

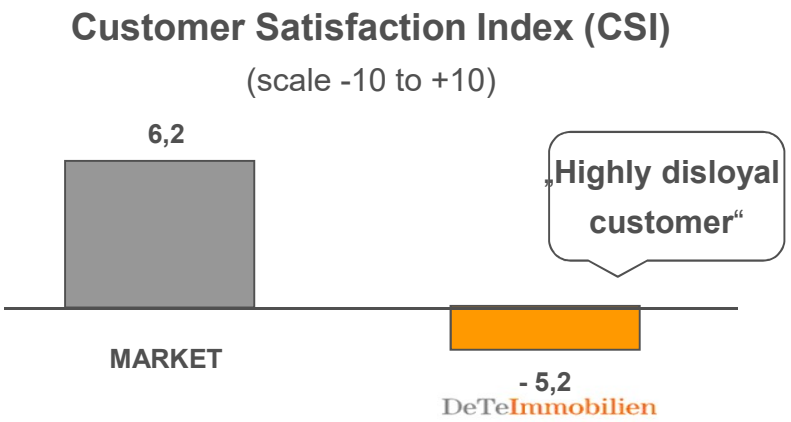
Pos. Nr.	Kennzahlen	Dimension	Aktuelle Periode		Zieler-füllung	Punkte		Erfüllungsgrad
			kum. IST	Budget/Ziel		Soll Punkte	Ist-Punkte	Aktuell
F1	Steigerung des operativen Ergebnisses (DB5)	Mio. Euro	15,8	5,7	↑	100	143	143,1%
F2	Verbesserung des Gesamtergebnisses (DB 6)	Mio. Euro	-14,2	-30,9	↑	100	150	150,0%
F3	Einhaltung Fakturaplan Bau	%	104,9%	90,0%	↑	100	150	150,0%
F	**Finanzen & Ergebnis**					**300**	**443**	**147,7%**
MK1a	Kundenzufriedenheit intern	Index	5,0	7,5	↓	25	18	70,0%
MK1b	Kundenzufriedenheit extern	Index	-7,0	7,5	↓	25	0	0,0%
MK2	Vermeidung von FM Cash Out aus dem Konzern	Mio. Euro	22,64	15,28	↑	50	65	129,4%
MK3	Realisierung eines kalkulatorischen DB Kunde	Mio. Euro	-3,53	1,50	↓	100	0	0,0%
MK4	Erhöhung des externen Auftragseingangs	Mio. Euro	0,80	3,80	↓	100	0	0,0%
M/K	**Markt & Kunde**					**300**	**82**	**27,4%**
P1	Reduzierung der Personalaufwandsquote	%	74,5%	73,6%	↓	50	4	8,8%
P2	ImmoServ Abbau	FTE	238,0	535,2	↑	100	150	150,0%
P3	Verbesserung des kumulierten Gesamtergebnisses des KPI Reports gegenüber 2005	%	8,8%	10%	→	100	93	92,8%
P	**Produktivitat & Prozesse**					**250**	**247**	**98,9%**
I1	Mitarbeiterzufriedenheit	Index	0,3	0,4	→	50	46	92,5%
I2a	Prozeß- und Optimierungsvorschläge Mitarbeiter KMSC	Punkte	9,2	9,0	↑	25	26	103,0%
I2b	Prozeß- und Optimierungsvorschläge Mitarbeiter runder Tisch	%	90%	90%	↑	25	25	100,0%
I3	Platzierung/Umsatz neuer Produkte im Konzern	%	10,4%	5,0%	↑	50	75	150,0%
I	**Innovation & Entwicklung**					**150**	**172**	**114,7%**
GESAMT						**1.000**	**945**	**94,5%**

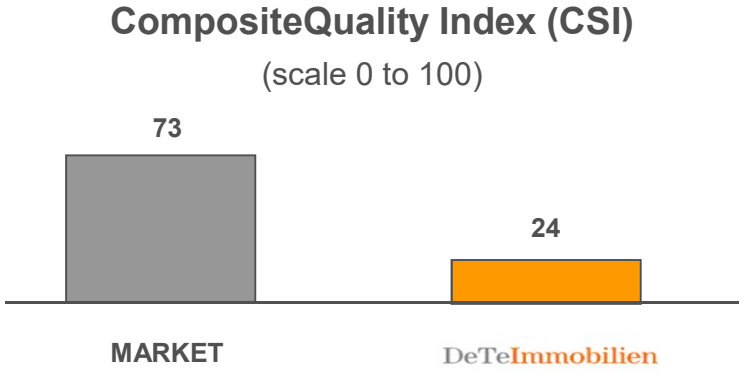
Show the truth - transparency

STRABAG

Counter the „we are so bad“ mindset

DeTeImmobilien





change the mindset

„Getting Europe`s No1 Real Estate Service Provider“
(vision created 2003)

„We delight our customer“
(claim created 2003)

STRABAG

Contribution Margin Analysis - a bit different but more comprehensive

DeTeImmobilien

STRABAG

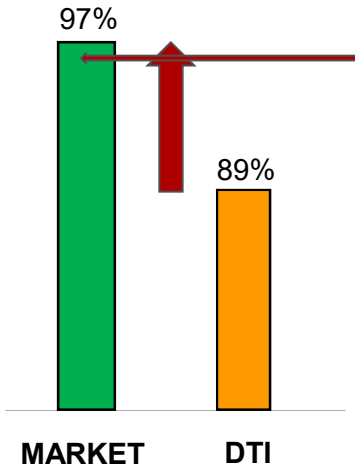
use internal benchmarks to learn and to create competition

DeTeImmobilien

Put yourself in competition

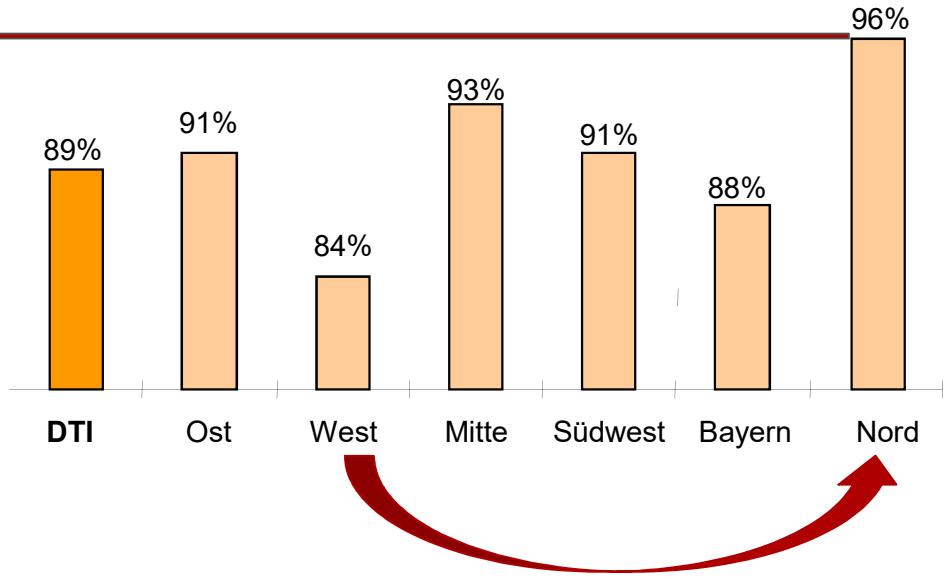
KPI: Delivery on time vs market

(in %)



KPI: Delivery on time by branch office

(in %)



STRABAG

MASTER FOLIE

DeTeImmobilien

Put yourself in competition

KPI-Quality Report: Übersicht der Ergebnisse der KPIs II

		SOLL	Kumuliert Nord	Ost	West	Mitte	SW	Bayern	DTI kum	Ziel-erreichung
KPIs, die in die Kollektivziele eingehen										
GEV/ RLT-Ergebnisse										
U_1	Budgeteinhaltung Projekte PUR	5%	9%	4%	5%	3%	3%	7%	6%	75%
U_2	Planzeitquote	105%	106%	103%	108%	102%	103%	103%	104%	75%
U_3	Verfügbarkeit GEV-Anlagen PASM für CDM und TSI (Max. Bonus bei 1.715 Tsd. EUR)	-	181.950	227.521	344.162	160.513	266.522	176.881	1.357.550	125%
U_4	Laufzeit Prüfung der Anlagen und Mengenkontingente der Vorhaben PUR-Realisierung, Angebotserstellung und HVL	94%	89%	95%	98%	82%	96%	80%	89%	50%
TGA - Ergebnisse										
U_6	Qualitätssicherung Service Stichprobenprüfung DFMG	97,5%	99,4%	98,9%	97,8%	98,0%	100,0%	98,4%	98,6%	125%
Bau - Ergebnisse										
U_7	Deckungsbeitrag aus der Basisvergütung GF Bau	39%	32%	35%	28%	28%	33%	32%	31%	-
U_15	Einhaltung Fakturaplan	97,0%	105,7%	107,9%	107,9%	102,1%	104,6%	104,6%	104,9%	150%
IFM - Ergebnisse										
U_10	Wertebestand der maßnahmenbezogenen Aufträge IFM zu dem maßnahmenbezogenen Umsatz IFM	7,0%	6,9%	8,4%	7,1%	7,2%	6,1%	5,1%	6,8%	100%
KFM - Ergebnisse										
U_11	Offene Forderungen Vermietbereich Konzern	1,5%	0,0%	0,0%	0,1%	0,8%	0,1%	0,0%	0,1%	150%
U_12	Offene Forderungen Vermietbereich Dritte	4,0%	3,3%	3,3%	5,0%	8,1%	3,8%	1,7%	4,3%	75%
U_13	Billing Monitor Prüfquote IK	96,4%	99,2%	**100,0%**	**100,0%**	96,6%	**100,0%**	**100,0%**	99,3%	125%
Einkauf - Ergebnisse										
U_9	Nutzungsgrad Rahmenverträge	83%	83,3%	83,3%	83,3%	83,3%	83,3%	83,3%	83,3%	100%
Termintreue										
DTI_2	Termintreue ohne Terminverschiebungen	64,0%	79,2%	70,6%	90,5%	71,5%	72,6%	70,0%	76,0%	150%
KAM - Ergebnisse										
U_14a	Hitrate Bestandkunde	60%							53%	0%
U_14b	Hitrate Neukunde	20%							5%	0%

STRABAG

Get present in the market !

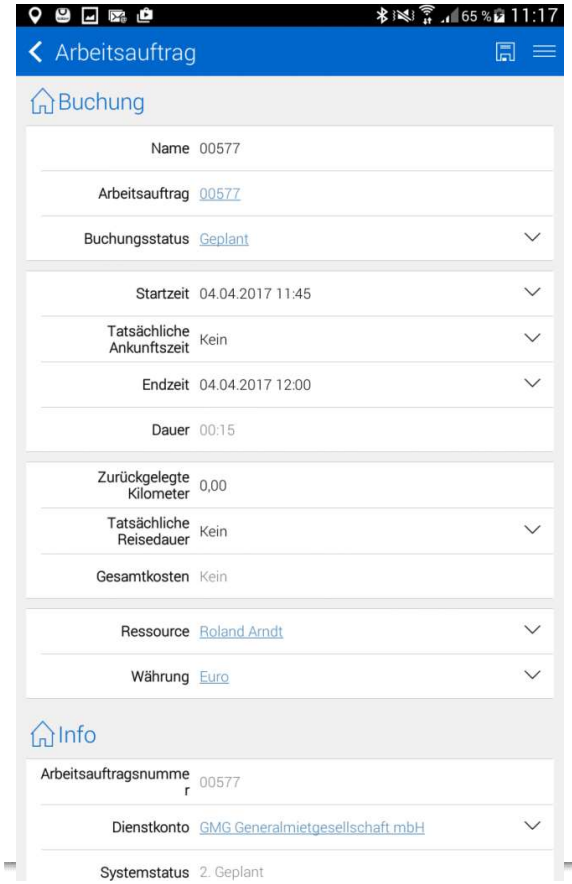
DeTeImmobilien

STRABAG

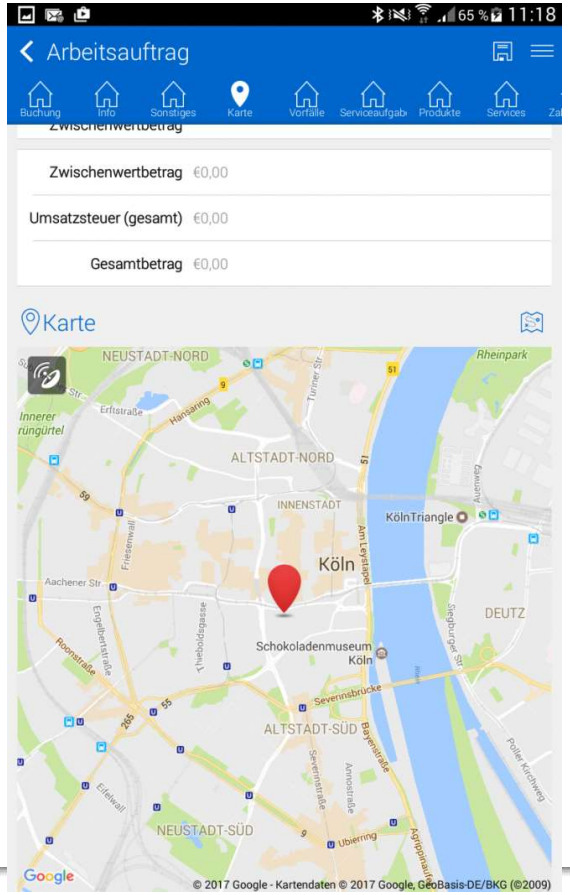
Efficient processes always mean high IT-systems support

DeTeImmobilien

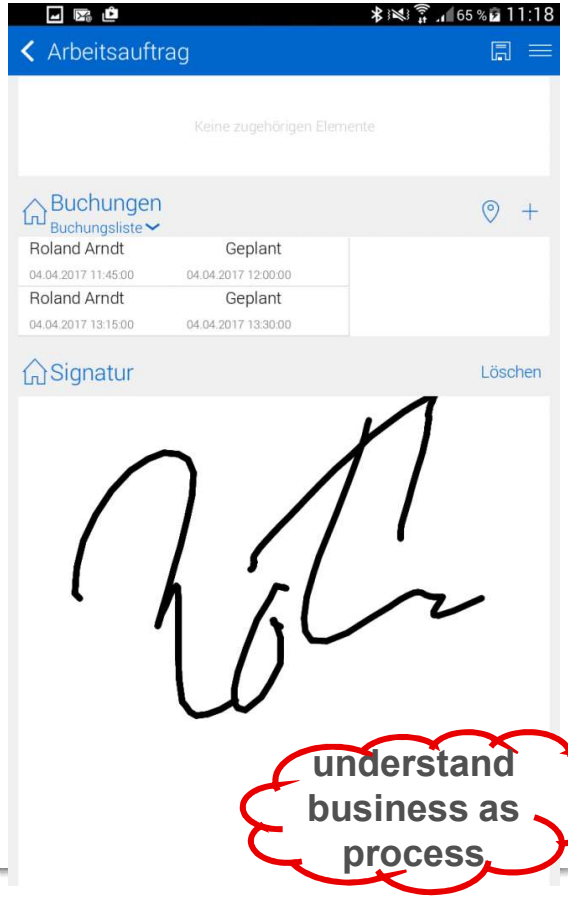
automatic order- entry out of the sales system



… geographic order – information …..



… back-loops to billing, controlling and sales.



understand business as process

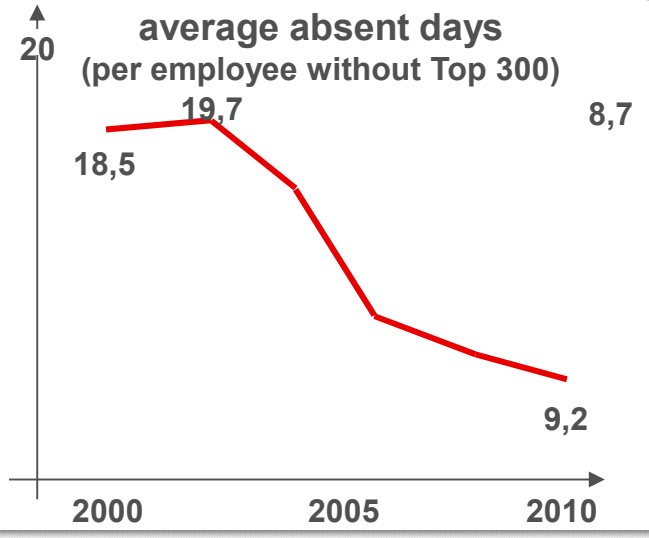
STRABAG

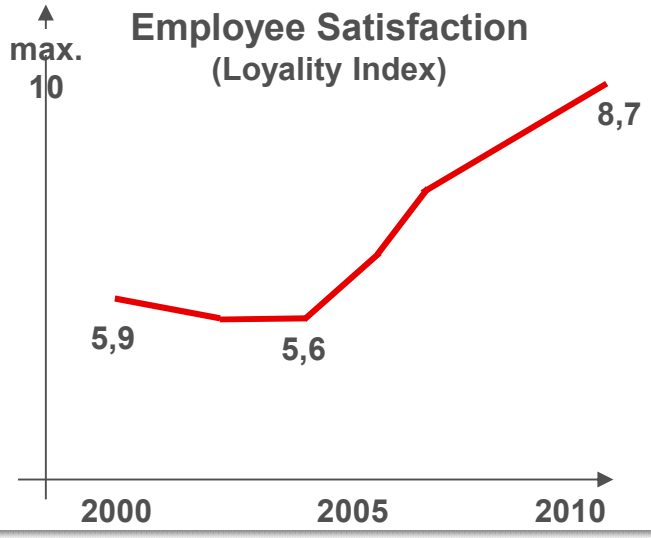
We tried to behave towards our employees as a proud high-profil company

DeTeImmobilien

- Founding the „DTI Academy“ incl. 300 apprentices
- Installing high-potential trainee-programm
- Participating in „Top German Employer Award“ (scored Top100!)
- Increasing training budget – especially for „value“ events

invest in your people

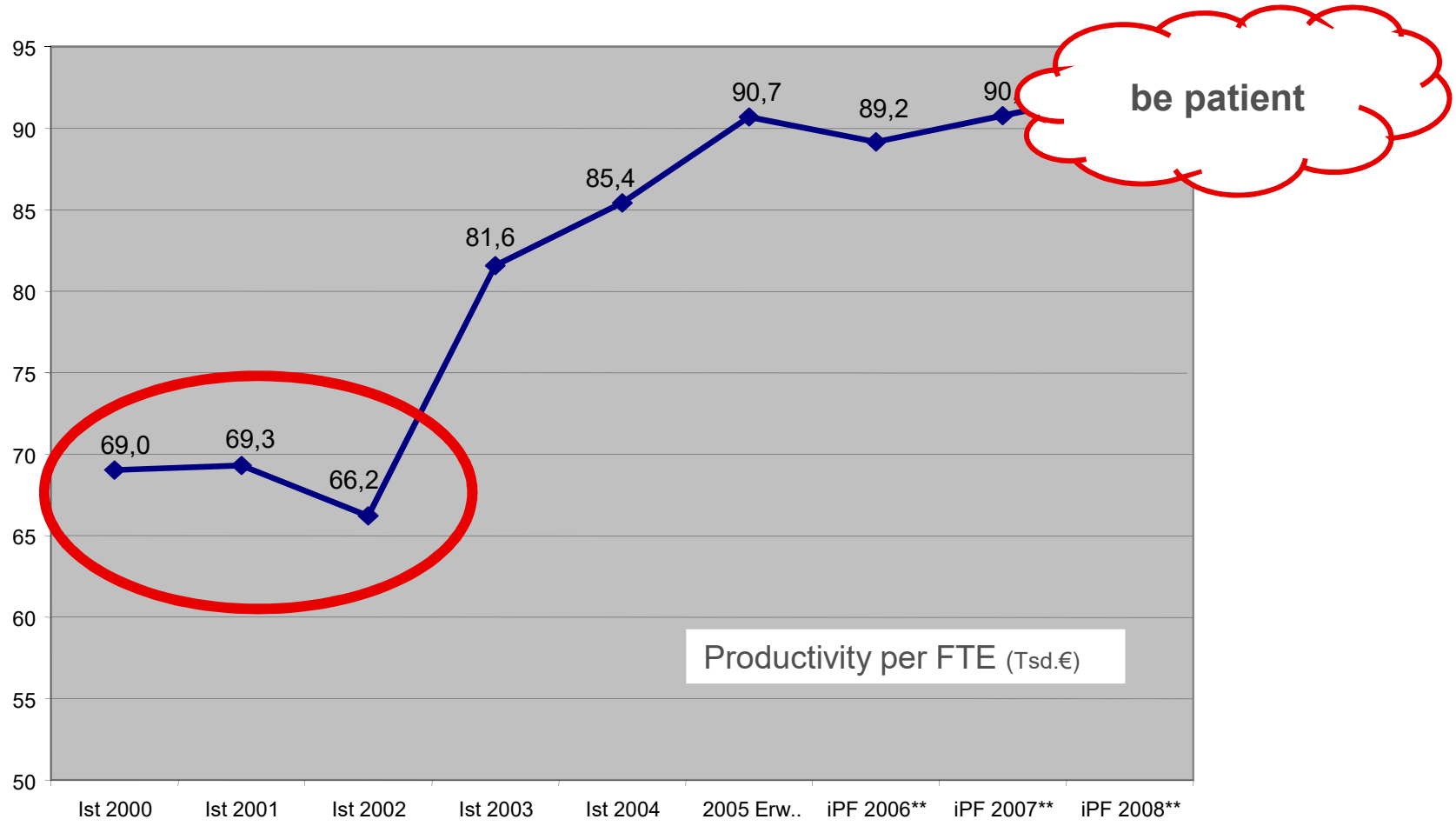




STRABAG

be patient – even if it is hard!

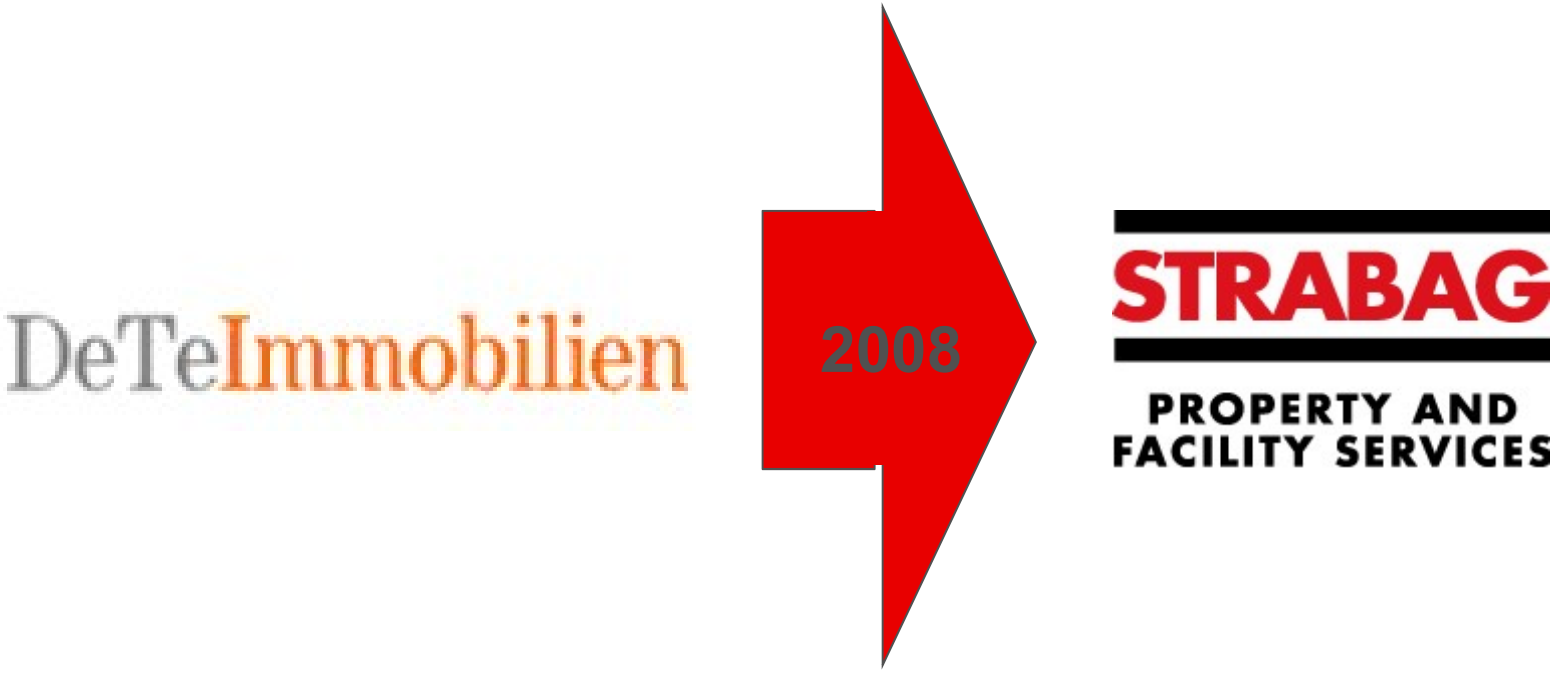
DeTeImmobilien



STRABAG

No. 2 player in Germany with a premium customer base

DeTeImmobilien

STRABAG

2008 – DTI was successfully acquired by STRABAG