

CASE STUDY

BNZ (Bank of New Zealand)



Background

Founded in 1861, BNZ employs more than 5000 people and provides banking services to business, agriculture, personal and private clients throughout New Zealand. The BNZ property portfolio incorporates 195 Stores and Partner Centres and three corporate buildings, with a combined floor area in excess of 130,000 m². While the majority of BNZ property is leased approximately one third of the bank's annual procurement expenditure across a diverse range of products and services is Property related.

BNZ Properties is responsible for the overall management of property and property functions, including long term planning, forecasting, and lease management. It outsources transactional and operational management to Darroch Property Services, which utilises the VisionCRE corporate real estate system to deliver these services and provide reporting.



The challenge

Recognising the critical role of property in the customer experience, in customer service delivery, and in terms of its brand BNZ sought answers to three key questions:

1. What is the condition of the BNZ property portfolio?
2. Is the bank meeting its maintenance obligations?
3. What will its maintenance obligations cost?

The Properties team recognised the need for detailed and robust asset data and for sophisticated analysis to confidently answer these questions. Traditional approaches and sources of information would not generate the level of confidence required or provide the flexibility necessary to deal with constantly changing circumstances and priorities.

The ultimate solution needed to:

- Provide transparency when bidding for corporate funds against other business priorities
- Achieve balance between spend, standards maintained, and economic payback
- Demonstrate value to business under a transfer charging model

The solution

BNZ recognised the value and importance of existing information held in its own systems and through those of external partners. It recognised the opportunity to harness **data** collected through **operational** property management activities and through analysis to use the resulting **knowledge** at a **strategic** level to make better **decisions**.

Through an evaluation and business case process BNZ selected SPM Assets™ software to address its **tactical** and **strategic** planning needs. Using a near real-time interface with VisionCRE BNZ established an end-to-end property planning solution - VisionCRE for planned and reactive maintenance and SPM Assets for lifecycle forecasts, planning, and reporting.

Following an analysis of business needs SPM Assets designed and implemented a new SPM Assets database configured specifically for BNZ. The configuration reflected the organisation and nature of BNZ property, and the level of asset detail required. SPM Assets also implemented Secure Sockets Layer (SSL) encryption for secure Internet access, and the web-service interface with VisionCRE. It took less than a week to design, configure and implement the initial SPM Assets-VisionCRE integrated solution.

SPM Assets' recommended approach is to assess the quality and completeness of existing information, and then to develop a targeted survey and collection process to generate additional data and information where necessary. Using a 'pilot' approach SPM Assets surveyed a representative selection of properties, including Stores, Partners Centres, and areas of corporate buildings. A conscious and significant decision was made to survey the entire building on each site to provide a complete understanding of both the BNZ and the landlord's future maintenance requirements.

The pilot confirmed the suitability of the database configuration and digital model hierarchies, and allowed SPM Assets and BNZ to review and refine the survey approach to generate the correct level of detail across the wider portfolio.

It took several months to progressively survey all BNZ properties, reflecting commitment to quality and consistent information. The key factors in the success of the mobilisation and subsequent surveys were the:

- clear and widely understood project objectives
- strong Sponsor support and direction throughout
- dedicated BNZ project manager and project champion
- quality building and lease information available through existing sources
- dedicated team of specialist surveyors with knowledge of the SPM Assets approach
- robust interface with the corporate real estate system (VisionCRE)



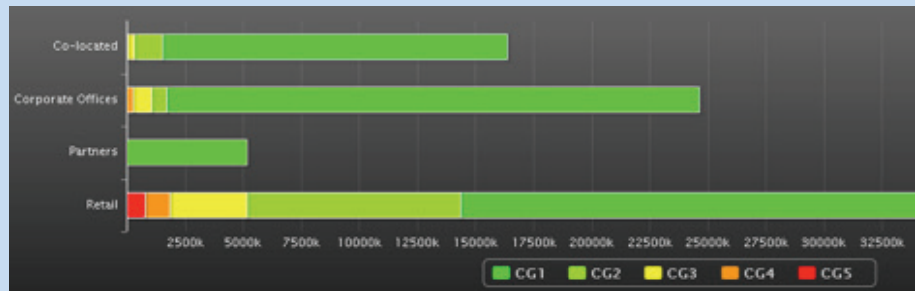
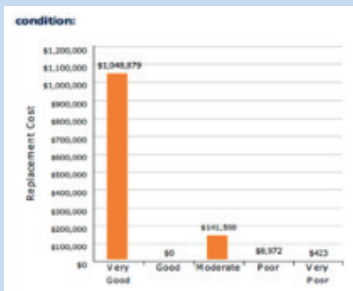
The outcomes

With the mobilisation and initial portfolio surveys complete BNZ has moved into business-as-usual mode. With SPM Assets support it has established business processes for the ongoing maintenance and use of the asset data, uploaded additional property information to further refine the analysis process and outcomes, and established a prioritised five year capital works programme. It is now using SPM Assets software to scope and schedule future maintenance.

So let's consider those original questions:

1. What is the condition of the BNZ property portfolio?

BNZ now has the data and information to quickly understand and report property condition – from individual asset upwards and from portfolio level down. Property managers have detailed reports and the Executive has dashboard reports with drill down functionality.

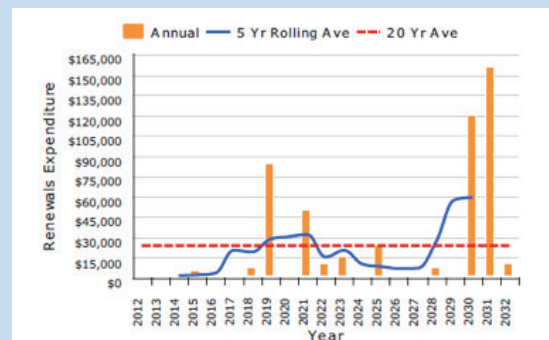


2. Is the bank meeting its maintenance obligations?

BNZ now has a consolidated list of maintenance obligations recorded at an asset level and the means to filter and focus forecasts of future spend, i.e. separating tenant and landlord expenditure obligations. The survey data and photos provide BNZ property managers with the knowledge to talk confidently with landlords, particularly during lease renegotiations and when discussing make-good obligations. There is also reduced likelihood BNZ will inadvertently fund maintenance that is the landlord's responsibility. The integrated SPM Assets-VisionCRE solution provides a detailed record of completed works and the associated costs.

3. What will this maintenance cost?

Using SPM Assets software BNZ can now accurately and consistently forecast future expenditure, and quickly understand the consequence of funding and policy decisions. It has the means to scope and schedule a capital works programme, and to quickly reprioritise when necessary. The resulting information improves decision making, and influences strategic procurement agreements and lease renegotiations.



The future partnership

Recognising that the full benefit of its investment in software and data would only be achieved through continuous improvement BNZ has now engaged SPM Assets to provide an annual support service. This supplements knowledge and resources available within the core Properties team, allowing property managers to shift focus from asset data maintenance to analysis, reporting and planning.

The support service consists of the **three core components**:

1. **Rolling Survey Programme** to systematically reassess and monitor property condition and performance. Property managers will continue to update property information during routine visits and asset changes resulting from reactive maintenance will be updated through VisionCRE.
2. **Assisted database maintenance**, including data quality checking and improvements, maintenance and update of component reference libraries, generation of BNZ specific reports and outputs, provision of specialist advice on asset management practices and methods, specialised analysis and ad hoc reporting, and updates to the web-service interface with VisionCRE to reflect changing requirements.
3. **Annual review and report** to summarise property condition and performance at portfolio level, and analysis of changes and trends during the preceding 12 months. The report includes analysis of condition changes, reactive maintenance, capital investment, benchmarking, and the impact of investment on asset quality. It also provides an analysis of planned versus actual expenditure, and the nature of investment by asset types, e.g. mechanical systems, internal finishes, and exterior fabric.

To learn more, call

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