



Real value in a changing world

Presentation on *Management Innovation*

Review of concepts, ideas & practices

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JLL Corporate Solutions – Global Statistics

- 19,400 dedicated FTEs
- 16,000+ sites in 83 countries
- 1.5 Billion SF facilities under management
- 5 million calls annually
- 83 countries

- 170+ accredited professionals
- Managed 40 LEED projects, totaling 25.1M s.f.
- \$38M in documented energy savings
- 132,849 tons of greenhouse gas emissions reduced

- 1,400 global experts
- \$5B of corporate transactions annually
- \$82B in capital market transactions annually
- Relationships with 10,000 investors

- 2,600 transaction advisors
- 23,900 transactions
- 371M s.f.
- 450+ markets globally

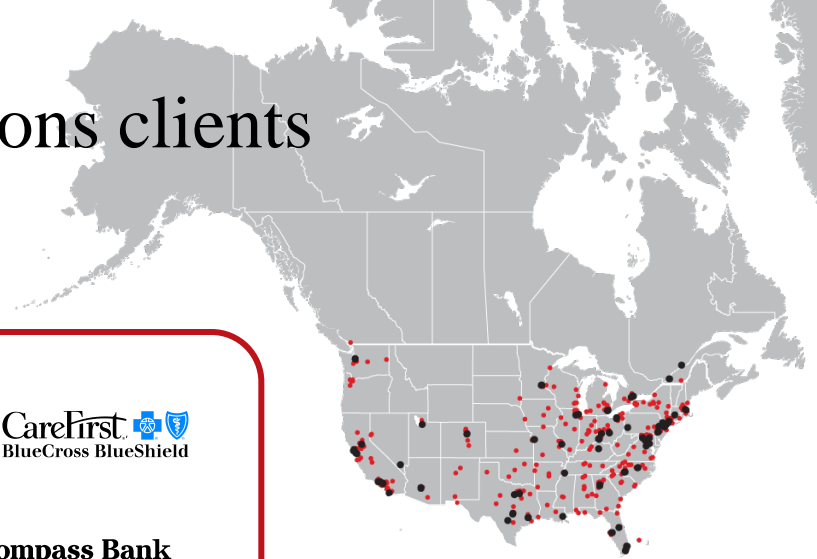


- 200+ lease admin professionals
- 47,000+ leases administered annually
- \$3.2B+ rent paid annually
- \$20M+ cost savings/avoidance

- 320 consultants
- 112M s.f. managed by occupancy planning team
- Other services include Six Sigma, workplace solutions and development asset strategies

- 2,300 project managers
- 20,000 projects annually
- \$14B currently in progress

North America Corporate Solutions clients



A collection of corporate logos for various clients, arranged in a grid-like fashion within a red-bordered rounded rectangle. The logos include:

- Aetna
- THE HARTFORD (with a red deer logo)
- DIAGEO
- charles SCHWAB
- CareFirst BlueCross BlueShield
- Citizens
- Fidelity INVESTMENTS
- Coca-Cola
- Compass Bank
- DELPHI
- Duke Energy
- Firmenich
- FIRST DATA
- HARRIS
- Bank of America
- Huron CONSULTING GROUP
- KAISER PERMANENTE
- Lilly
- McDonald's
- National City
- Seagate
- Sprint
- UNION BANK OF CALIFORNIA
- at&t
- UNITED STATES POSTAL SERVICE
- WELLPOINT
- YAHOO!
- ca

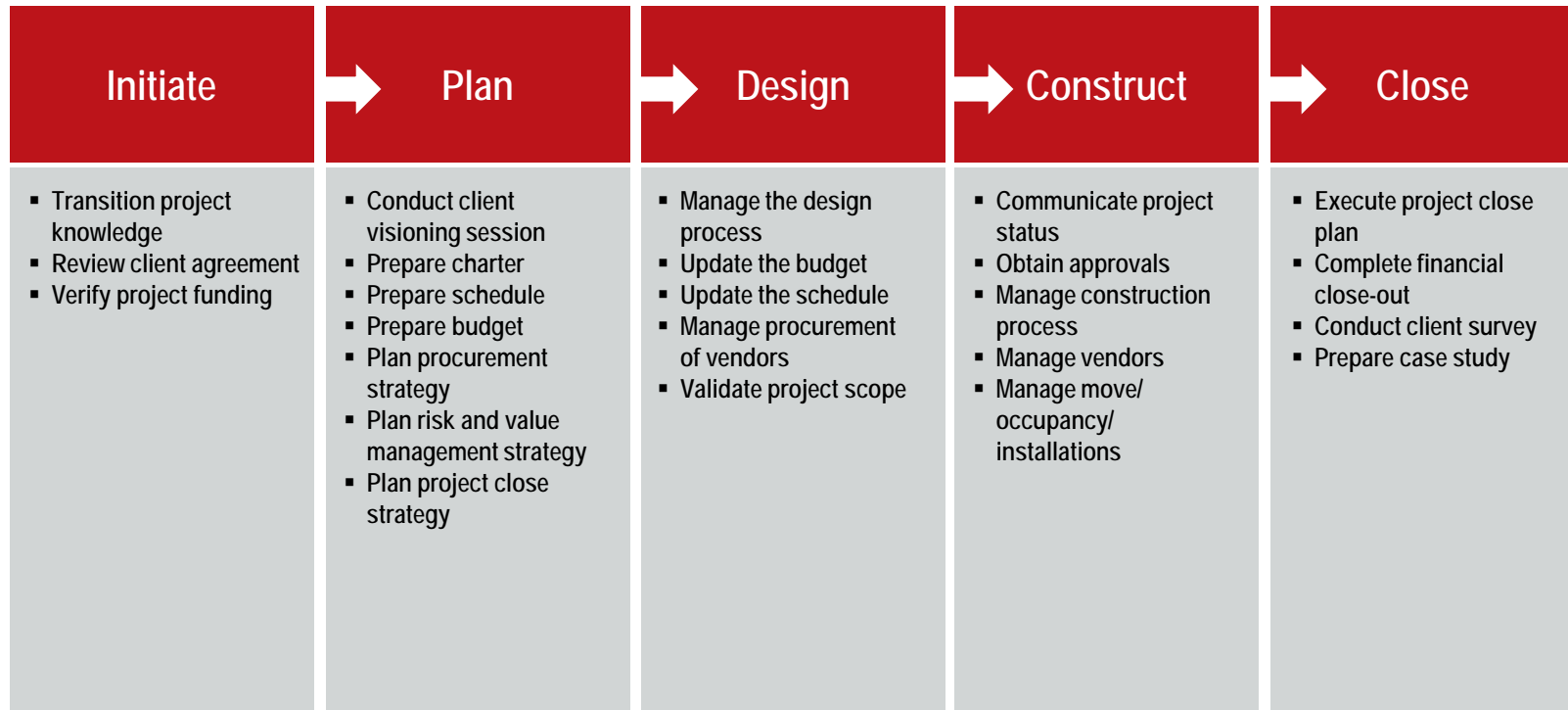
What we think is important...

- The interests and needs of the client – owners, occupiers and investors - always
- Listen to the client – all of them
- Provide forward-thinking solutions based on the client's goals and strategy
- Provide positive leadership
- Leverage JLL resources and knowledge about market conditions/trends, best practices and 'partners'
- Develop and maintain flexible and adaptable high-performing teams
- Build a strong and reliable consultant/contractor/vendor network
- Managing risk
- Continuing education and innovation – endless quest for improvement opportunities
- Exploit and explore technology solutions

What we are doing about it...

- Standardize the basic tools, practices and processes for seamless, uniform delivery worldwide – One View platform, Atlas & Field Manuals
- Educate and mentor staff members and then confirm proper use of basic tools, practices and processes – audits, dashboards and peer reviews
- Customize and/or create tools, practices and processes based on client needs
- Hire carefully and acquire strategically
- Share knowledge and align performance across business lines and regions
- Seek client feedback – project-specific and annual surveys; key performance indicators – and react positively to deficiencies
- Provide options for the client and, in this market, we have plenty of options
- Explore and innovate – technology; introduction of new practices (Green Office Toolkit) and business lines (Energy & Sustainability Services)

5 stage process



G0330

Current Corporate Solutions Example – Aetna Account

- Principal contractual relationship providing transaction and project management and lease administration for leased portfolio
- Client focuses on strategy; JLL focuses on execution
- Integrated Program Management model – single point of responsibility for entire transaction and project management process
- Financial management and reporting/forecasting is paramount – ensure that team and tools are up to the challenge
- Establishment and study of metrics for reporting and forecasting – spends and cycle times should become reasonably predictable
- Design and budget development – established and enforced client standards are priceless
- Schedule challenge – tension between clear business unit strategy and lease expiration date
- Management challenge – ‘remote’ control
- Typical contracting methodology – cost plus on direct work, lump sum general conditions and % fee – selection based on the ‘right’ fit plus ‘the numbers’; MBE/WBE participation
- ‘Perfecting the assembly line’ – use of consistent vendors for certain scopes of work (security, furniture, moving, IT components)
- Process refinement and improvement – innovate on the fly; vendor scoring

Lessons Learned

What could have been better:

- Transition process – must have ‘right-sized’ and trained staff ready to perform; need to fully understand client needs and have tools and team ready to react appropriately
- Consistent performance of variable project management – insufficient ‘on boarding’ and education of account specific processes and practices
- Initial financial management and reporting

What has worked:

- Principal relationship – much higher risk but client procurement process does not apply or impede
- Standards - create, enforce and update - must have buy-in from client leadership
- Communication and feedback – seeking input from all team members
- Integrated Program Management – matches client organization

Integrated Program Management

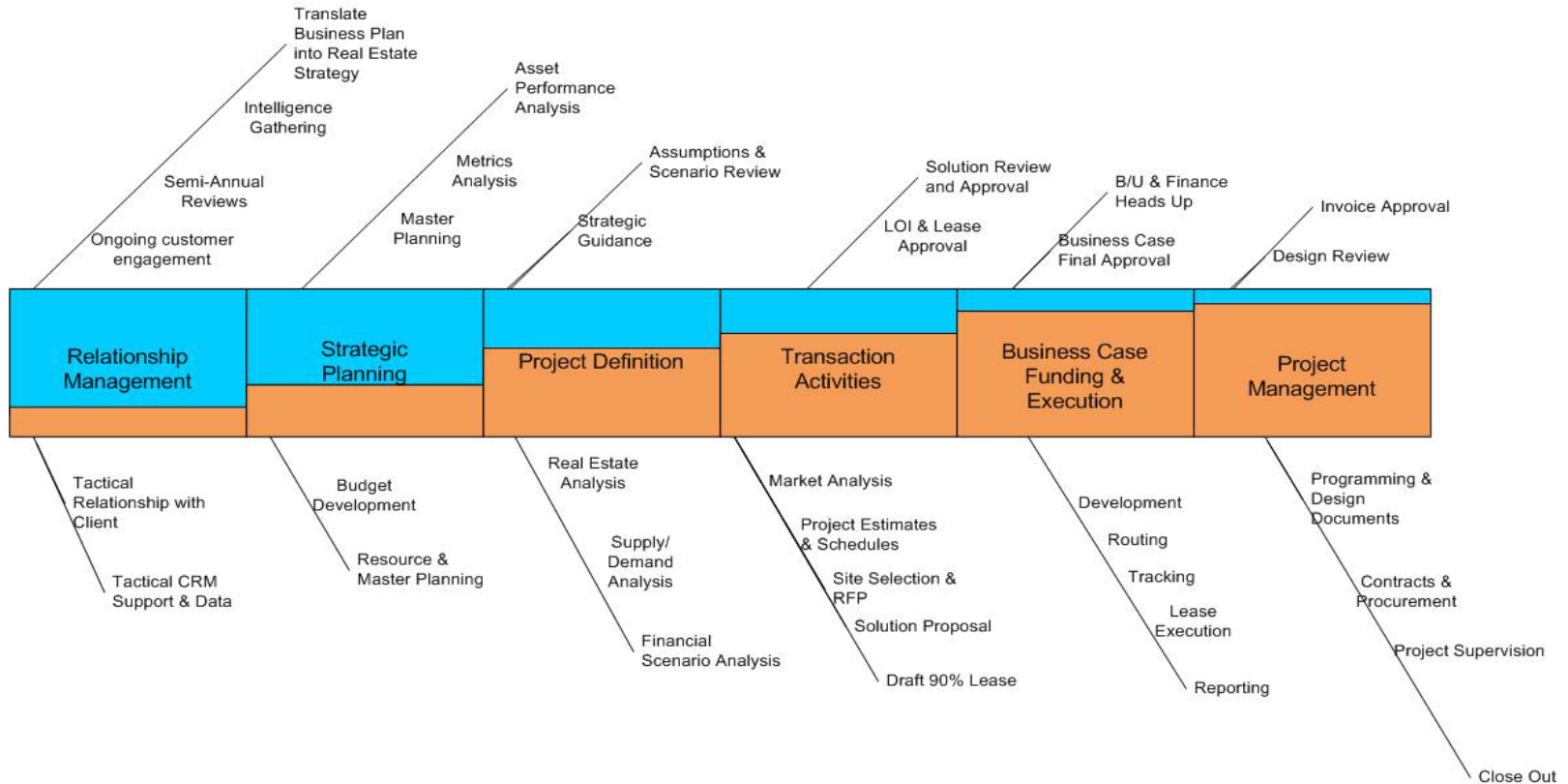
Objectives:

- Increase accountability
- Simplify process – remove variability
- Improve client experience
- Reduce costs
- Make my life much easier

Role & Responsibility Lifecycle Curve

- CRE – Relationships and Strategy Focus
- Delivery Team – Execution Focus

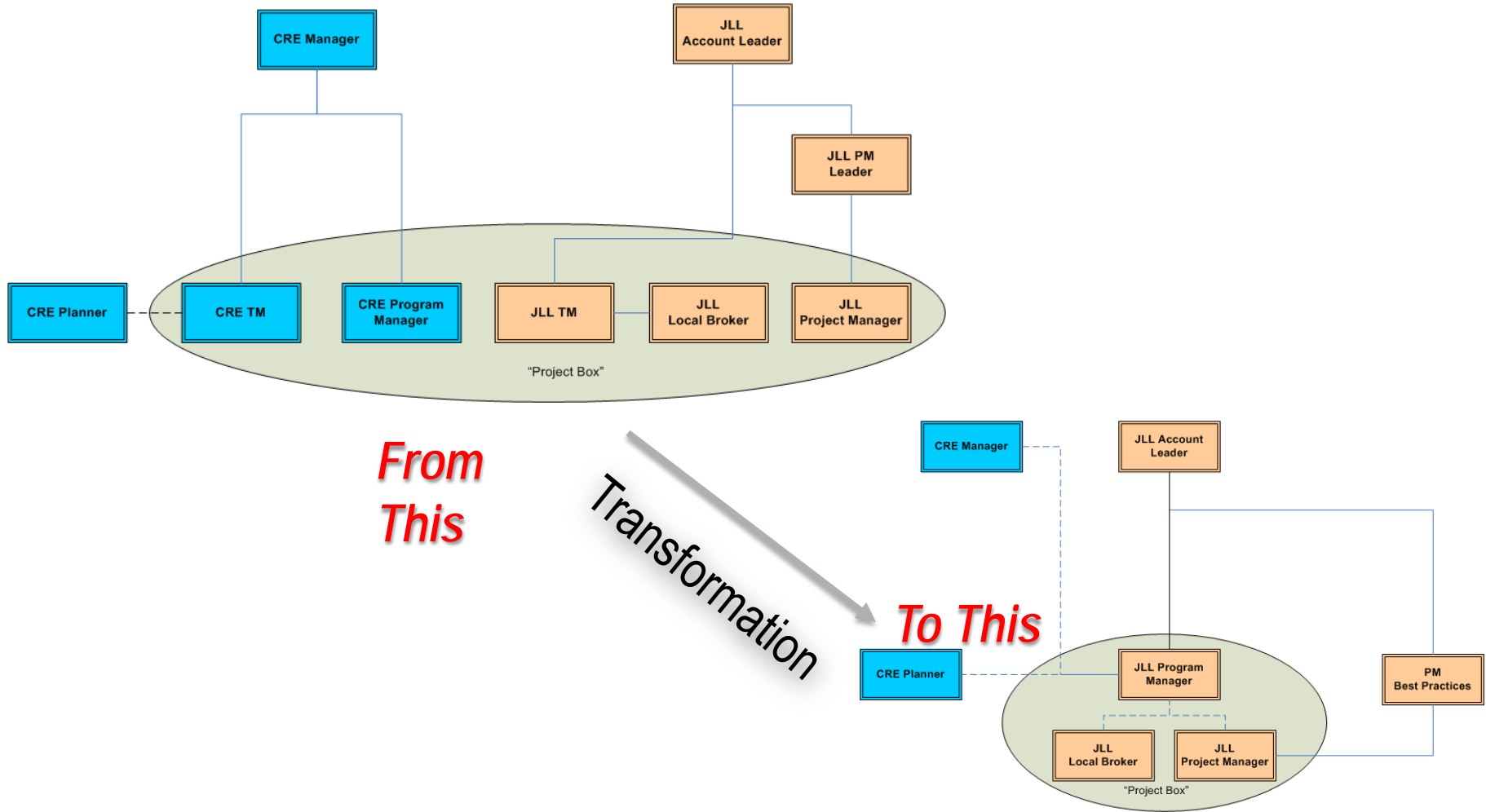
Corporate Real Estate Manager



JLL Project Delivery Team

Program Management Transformation

Optimization of Resources



Reporting & Forecasting

- Project Status – focus on schedule milestones and current activity
- Anticipated Cost – focus on budget from four vantage points
- Forecast Worksheet – projected monthly cash flows for two years and comparison of total project cost to current annual plan and quarterly forecast for each project
- Portfolio Dashboard via One View Analytics – ability to view occupancy metrics across current portfolio