



**SIEMENS**

Siemens Real Estate Americas

# Value of SRE

# Topics

1

Real Estate @ Siemens

2

Why do we need to talk about Value Add?

3

Communicating the Value of SRE

4

Q&A / Feedback

# Understanding and living up to our mission statement is critical

An aerial photograph of a city, likely New York City, taken during sunset. The sun is low on the horizon, casting a warm, golden glow over the city and the surrounding water. The buildings are silhouetted against the bright sky, and the water reflects the light.

**"SRE drives Siemens' success as a trusted business partner through real estate and its related services."**

## Role of Siemens Real Estate



**Stewards** of Siemens real estate assets to protect and leverage asset value



Translates business unit requirements into real estate **strategy**



Defines the guidelines for Corporate Architecture, **Construction**, and Sustainability



Oversees all **leasing and management** of Siemens real estate portfolio



Centrally procure FM related services for benefits from bundling Siemens spend to drive **savings**

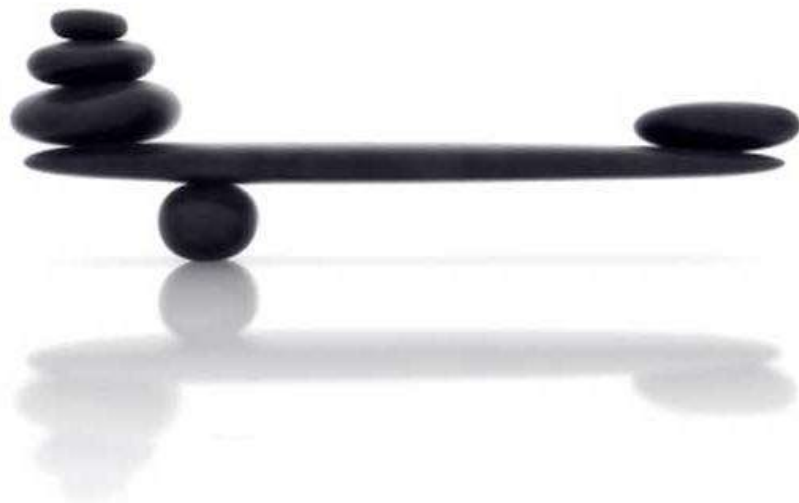


**Standardize** services and building maintenance criteria to drive efficiency and common practices



Maintain database of assets to **manage life cycles** effectively and affordably

## SRE receives feedback and direction from all levels of Siemens employees



Maintaining the **balance** of priorities spanning end users through the Managing Board presents challenges when **bridging those interests**.

Building Occupants / End Users

Site Decision Makers

BU & Division Management

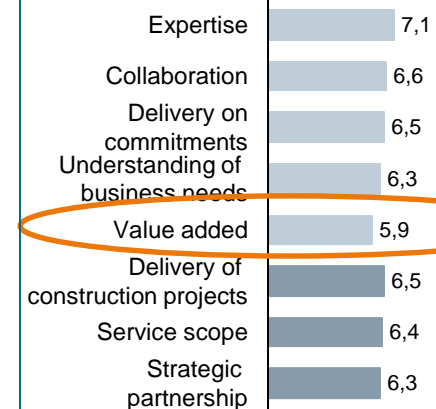
Managing Board

# CSS 2015 Results

Our customers are *least satisfied* with GS SRE AM's **value added**



## 2015 CSS Satisfaction Criteria



“Projects never seem to get done in a **timely** fashion”

“SRE employees spend too much time on internal SRE issues which leaves little time for attention to **customer needs** / projects”

“More clarification / **transparency** is needed”

“The perception is that **real estate does not provide cost effective value**”

# Your Voice

## Challenges in demonstrating the value of SRE

1. “Customers claim **we are expensive**, and that they were able to do it for less.”
2. “Customers **feel they shouldn't have to pay** to improve their facilities.”
3. “The customer often has to deal with multiple SRE employees and may experience a **delay in process** due to SRE inefficiencies.”
4. “Our **pricing is too complex** even for many SRE employees to have a thorough understanding, let alone explain to the customer.”
5. “**Challenge is getting the customer to understand the processes** and the activities for the development of the projects or requirements.”



## Your Voice

The value SRE brings to the customer

**“Expertise and market knowledge”**

**“Real estate solutions below market cost”**

**“Maintenance of Siemens assets”**

**“Allows customers to focus on their core business”**

**“Savings”**





# Reality Check

Value is in the eye of the customer



So, how *do* we  
communicate **VALUE**  
**ADD?**



## Same issues

It always comes back to cost and timing



**So, let's talk about how we overcome these concerns.**

# Let's revisit your comments

## Challenges in demonstrating the value of SRE

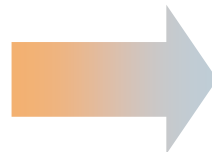
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## How we respond to customers who say they can do it cheaper or SRE is too expensive?

### Customer says:

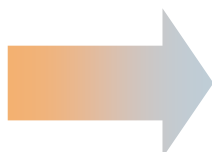
**Divisions can do this work for less**



**The cost associated with real estate does not align with the services**



**It always cost more to use SRE**



### SRE response

- **Use your “diagnosis” skills – Ask for their reference point – to which benchmark are they referring?**
- **Educate customers – Advise what is involved in managing real estate for Siemens (especially with related to compliance and being in a highly regulated company)**
- **Provide the facts – SRE provides real estate solutions at below market cost and provides more services to internal customers than a traditional external 3<sup>rd</sup> party real estate provider**

# Cost - SRE fee includes services that are typically 'add on' services or not performed by other providers

In addition to the below services, SRE takes on vacancy risk in owned properties after internal lease expiration.

\$0.73 /sf

## SRE Management Fees

General Administration

Finance & Reporting

FM Management Services

Portfolio Management

Maintenance Strategy & Supervision

Initiatives & Implementation

Space & Lease Renewals

Lease Administration

Consulting on Space Productivity Measures

\$1.25 /sf

## CEB Management Fee

General Administration

Finance & Reporting

FM Management Services

Portfolio Management

Maintenance Strategy & Supervision

Initiatives & Implementation

Space & Lease Renewals

Lease Administration

Consulting on Space Productivity Measures

\$1.13/sf

## CBRE Property Management Fee

General Administration

Finance & Reporting

FM Management Services

Portfolio Management

Maintenance Strategy & Supervision

Initiatives & Implementation

Space & Lease Renewals

Lease Administration

Consulting on Space Productivity Measures

■ Provided as part of management fee

■ Values would be project / portfolio specific (based upon scope)

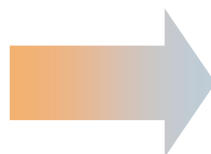
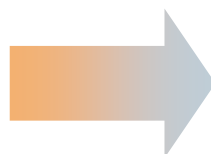
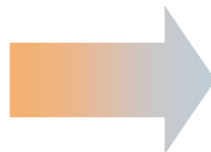
## How we respond to customers who say they can do real estate work faster or that our processes are too complex?

### Customer says:

**It would be faster if divisions did this work**

**SRE needs to be more responsive and faster in getting projects done**

**SRE processes are too complex and take too much time**



### SRE response

- **Set expectations – Explain up front what steps are needed to complete projects and typical time required.**
- **Discuss governance role – Customers may not know or understand why a projects needs to be reviewed by the Inv. Comm.**
- **Engage customers – completion of successful project requires their timely support and collaboration**
- **Acknowledge process concern – Siemens is complex, but we can work together to achieve the right outcome for Siemens.**

# Remember the tools, training and techniques that have been shared this past year

## SRE Profile

Tools developed and shared to help explain value of SRE

Key metrics from the SRE Profile presentation:

- 2<sup>nd</sup> place in SRE
- 62% increase in SRE
- 11.00 average score
- 4<sup>th</sup> place in SRE
- 4% increase in SRE
- >400' increase in SRE
- ~30% decrease in SRE
- 1<sup>st</sup> place in SRE
- ~30% decrease in SRE

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## Meeting Management Training

GS SRE AM  
Soft Skills Training: Meeting Management

**PREPARED**    **PROFESSIONAL**    **PROACTIVE**

Icons representing: a hand pointing to a chart, a handshake, and a checklist with a pencil.

## G-HQ Customer Communications Training

Proactive customer-oriented conversation

### Five phases

The diagram shows five phases in a semi-circle:

- Contact** (Listening)
- Diagnosis** (Listening)
- Sales Arguments** (Asserting)
- Objections** (Asserting)
- Closing** (Asserting)

Additional elements: a stethoscope icon, a hand icon, a checkmark and 'but' text, and a 'Buy It' icon.

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To the customer, we are the company  
We are all SRE



- We are AMUs, LMUs, LMs, BAs, OS, Strategy, R-HQ, and G-HQ
- We represent our management and our peers
- We represent our company

**We are SRE.**

# We are SIEMENS Real Estate

**Demonstrate  
Ownership**

**Be accountable**

**Be proactive**



**Be  
Knowledgeable**

**Understand your customer**

**Know your portfolio and SRE**



**Engage  
Resources,  
SMEs**

**Leverage your network**

**Ask for help**



**Be Strategic**

**Think big picture and long term**

**Think Siemens**



## Value Add From How to Wow



- Adding value starts at each location
- It's not only a topic of content – it's a topic of communication
- Be proud of our value, there is no need for any justification

-- Dr. Zsolt Sluitner



- Q&A
- Feedback