

THE FIFTH ANNUAL UMS STRATEGIC RE & FM CONFERENCE

SEPTEMBER 30TH - OCTOBER 1ST, 2008

WASHINGTON, DC

Dear Colleague,

UMS STRATEGIC RE & FM CONFERENCE

It is our pleasure to cordially invite you to attend the Fifth Annual UMS Strategic RE & FM Conference scheduled to take place September 30-October 1, 2008 at The Fairmont Hotel in Washington, DC.

This invitation-only event is designed around the strategic needs of today's Real Estate & Facilities Management (RE & FM) executives. Through the years, the UMS Conference has evolved into a forum for discussion and peer-to-peer exchange - one where participants can swap fresh and objective ideas on how to respond effectively to the FM challenges of today and tomorrow.

This year, we are focusing our energies on exploring three key issues confronting the RE & FM executive:

- **Outsourcing**
- **Operational Excellence**
- **RE & FM Strategy**

We hope that you can confirm your attendance of this event at your earliest convenience, and we look forward to hosting you in Washington, DC.

CURRENT & PREVIOUS ATTENDEES

Attendees of the UMS Conference for current & previous years include senior executives of facility management, real estate, and procurement organizations from the following companies:

- Amgen
- Eli Lilly
- Hewlett Packard
- Kraft Foods
- Morgan Stanley
- Schering Plough
- Toyota Motor Sales
- Wyeth Pharmaceutical
- Dow Chemical
- Fifth Third Bank
- Intel
- Lockheed Martin
- Pfizer
- Sprint Nextel
- US Bank
- DuPont
- Genentech
- Johnson & Johnson
- Merck & Co
- Procter & Gamble
- State Farm Insurance
- Weyerhaeuser

REGISTRATION

The registration fee for the conference will be \$499 prior to September 1, 2008. Fees include all meals and all conference materials. Please make your check or money order payable to UMS Advisory, Inc. and mail it to the following address: *Attn: Tricia Hudson, UMS Strategic FM Conference, 9435 Waterstone Blvd., Suite 140, Cincinnati, OH 45249*

You can also register for the conference online at <http://www.umsadvisory.com/register.htm>.

LOCATION AND ACCOMMODATIONS

This year's conference will be held at The Fairmont Hotel in Washington, DC, located at 2401 M Street NW, Washington, DC 20037. We have negotiated a group rate at The Fairmont for \$269 per night for rooms booked before September 1, 2008. Please call The Fairmont at 1-866-840-8402 to reserve your room. Please be sure to specify that you will be part of the UMS Conference. On-line reservations are available at <http://resweb.passkey.com/go/ums>.



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PLENARY SESSIONS

OUTSOURCING

Global Supplier Market Overview

The RE & FM supplier market is changing rapidly. Continued consolidation is driving scale and capability nationally and internationally as suppliers merge regional and functional capabilities. This session will examine consolidation in supplier markets across three regions – North America, EU, and Asia. In particular, we will explore the implications of this market consolidation for IFM sourcing choices available to customers in different regions. Discussion will focus on observations on supplier capability, operational models in use in different regions, and the experience and benefits of recent IFM initiatives.

Multi-Functional Contract Structures

Multi-functional/regional RE & FM outsourcing deals are complex as they involve switching costs, transfer of operational accountability and knowledge, and are longer term. It is vitally important for the FM leader to develop a strategic understanding of the latest trends in IFM contracts in the context of risks, rights and obligations needed to contractually manage complex RE & FM outsourcing deals. The discussion will focus on specific clauses needed to balance risk and reward, the role of the contract in supplier governance, termination and exit strategies, and recent practical experience in both structuring and dissolving Global FM outsourcing deals. Discussion will focus on drivers of success as well as typical contracting issues and recent supplier posture towards evolving contract terms.

Pricing Strategies

This presentation will highlight types of approaches that can be taken towards pricing integrated RE & FM (IFM) contracts. In particular, we will examine pricing structures that more tightly align client and supplier motivations for longer term supplier-partnerships. Distinctions on how the supplier market responds to transactional vs. partnering oriented pricing structures will be explored along with the use of sourcing technology in providing real-time and transparent market pricing data. Case studies providing recent deal data and market information will be shared along with the complexities and challenges of structuring optimal pricing structures for IFM contracts.

Managing Risk in Outsourcing

The risks associated with outsourcing initiatives are growing more complex as contracts comprise multi-functional and multi-regional deals with significant scale and scope. This session will focus on the shift in risk profile that occurs over the course of an outsourcing initiative. The presentation and discussion will highlight types of incremental risks faced by companies while pursuing outsourcing. These incremental risks will be explored from a cross-functional perspective that blends financial, operational, and legal viewpoints. Discussion will cover how to manage risk before, during, and after the outsourcing initiative.



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OPERATIONAL EXCELLENCE

The Genentech Journey - Processes and Metrics for Improving FM Performance in a Regulated Environment

Organizations that with disparity in operating models and practices performance cannot leverage processes and drive operational improvement across the portfolio. This session will show-case how Genentech, a leader in the biotechnology industry, transitioned from a site-local operating model to a leveraged FM model in a decentralized, entrepreneurial culture. Genentech's leadership wanted to retain the positive aspects of its culture while shifting to more process and technology leveraged operating model for efficiency and flexibility. This presentation will highlight how Genentech's Corporate Engineering and Facilities Group led a transformational effort to reduce costs and produce planned predictable performance at world-class levels, by technology, process redesign and identifying key metrics. Success factors such as the ability of the organization to influence stakeholders and work across site boundaries will be reviewed.

Case Study: Core Competencies in RE & FM in a Mixed (Manufacturing, Office Lab) Setting

The definition of core competencies is central to an effective RE & FM strategy and operating model. As cost pressures continue unabated, organizations are sharpening their focus on the few, core competencies vital to their long term success. A clear view of what is core enables RE & FM leaders to re-shape their organizations in pursuit of enabling advantage and building better internal-customer partnerships. This session will highlight a case study of core competency in a RE & FM organization to strengthen capability and focus while better leveraging external suppliers. Practical examples of frameworks and tools for evaluating core competencies will be provided.

Governance

Effective supplier relationship management (SRM) is a key success factor for extracting lasting value from outsourcing contracts. The governance process is the primary means of achieving success. This session will feature a panel discussion that will pool experience from companies in their first to third generation RE & FM outsourcing. The discussion will focus on how to structure effective governance, competencies, and success factors. Governance lessons learnt and latest trends will be explored in the context of the right retained organization size and structure.

Operating Models

Corporations are demanding efficiency, flexibility, and customer value from RE & FM organizations at a global level. RE & FM leaders need to evolve and shape the RE & FM operating model to better meet workplace requirements while building strong partnerships with customers. Beyond site-level operational excellence, leaders must also structure operating models that can help drive long term success. This session will focus on how large, complex enterprises are re-shaping their RE & FM operating models along several key-dimensions – center functions, site governance, decision-rights, CRM, and resource and process control. Factors in operating model choices will be discussed along with case studies. Panelists from companies who have significantly transformed their operating models solving for speed, quality, and cost will share their insights.



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RE & FM STRATEGY

The Workplace of the Future-Case Study on Alternative Workplace Solutions (AWS)

RE & FM organizations are being challenged to provide innovative workplace solutions that address corporate mandates for efficiency, agility, sustainability, and collaboration. This session will highlight how the workplace can support the increased mobility and flexibility needs of the virtual organization in the context of a cost constrained environment. In addition to a presentation from an award winning corporation, panelists with significant AWS experience will share best practices and perspectives on issues and solutions. Focus will be on how to influence cultural adoption, frame workplace decisions, and obtain cross-departmental (IT, HR, Finance, etc.) collaboration on AWS initiatives.

Strategic Space Planning

Strategic space planning is an important capability in helping corporations efficiently manage costly RE in a business environment driven by short term quarterly perspectives. This session will focus on approaches to strategic planning within complex enterprises that have distributed information embedded in various departments. Challenges of gathering real time data on key parameters as well as framing space choices with executives will be reviewed. Capacity planning tools for organizations that allow them to forecast and consolidate demand to accommodate short term space needs within the context of a longer term plan will be presented. How such tools can be applied in complex environments with multiple space types such as traditional office space, call center, and laboratory space will be provided along with a case study and panel discussion.

The Evolving FM Value Proposition

Articulating the value proposition of the RE&FM organization is perhaps the single most important leadership directive. Organizations that cannot frame, build, and articulate the value proposition of RE&FM risk being commoditized to a single dimension – cost. In this discussion, panelists will review their experience in developing value propositions and using them to energize the organization to create true value for customers. Particular attention will be paid to how leaders can re-position the FM value proposition from a tactical operation to a value-added business partner.

Case Study: A Multiple Pronged Energy Strategy

Increased regulatory pressure and rising energy prices have strengthened the business case for a multiple-pronged energy strategy. Increased pressure on FM organizations to develop and coherent energy strategies is resulting in a renewed focus on energy. With rising commodity prices, it's imperative that RE & FM organizations provide energy leadership for the corporation. This case study will highlight the energy strategy of a Fortune 100 RE & FM organization that blends co-generation, solar, and wind sources to create an efficient energy profile. Issues explored will be energy strategies in a capital constrained environment as well as organizational structures needed to drive global energy strategies.

