

FROST & SULLIVAN

CBRE

2022
COMPETITIVE
STRATEGY
LEADER

ASIA-PACIFIC
FACILITY MANAGEMENT INDUSTRY

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. CBRE Global Workplace Solutions (CBRE) excels in many of the criteria in the facility management space.

AWARD CRITERIA	
<i>Strategy Innovation</i>	<i>Customer Impact</i>
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

CBRE APAC: Strategy Alignment and Technology Oriented

Despite the COVID-19 pandemic’s impact on businesses and decision making, which accelerated a clear shift in real estate strategies and trends that have reshaped facility management (FM) requirements, CBRE upholds its leading market position in Asia-Pacific (APAC) by promptly implementing compelling growth strategies, in terms of value proposition, service delivery, identification of new opportunities, and a greater focus on Energy and Sustainability. Companies face organizational and infrastructure hurdles raised by globalization. Even countries situated in similar regions of the world can have wildly divergent legal and regulatory frameworks. CBRE addresses these challenges by ensuring global consistency while maintaining carefully defined strategic and tactical roles for local teams. The company achieved this by combining its global accounts with its unrivaled local presence.

CBRE’s Global Workplace Solutions have revamped the company’s strategies into key differentiators that enable a higher focus on client’s needs and the ability to deliver best-in-class services.

One of the company’s more substantial changes is the operating model shift to a sector-based approach, where increased alignment with clients is expected, with each industry led by a global sector president who is responsible for managing all accounts in the sector, including growth strategy, sales, risk management, and service delivery. This approach allows CBRE to lead with expertise, particularly in capturing market opportunities, and to serve clients with specialized needs that are unique to each sector. CBRE, however, recognizes the challenges in balancing the needs of a global portfolio with local

requirements in every country. Each client is partnered with a global alliance director and dedicated account team which is then complimented by the company's 150 in-market operators working across CBRE's 17 markets in APAC. The global alliance director's role is to act as a single point of contact for all client needs that require authorization, direct the entire account team globally, and further ensure consistent service delivery worldwide, in terms of systems, processes, and tools. The country teams ensure that clients' operations are tailored to cultural nuances and local needs while still complying with local regulations. Other aspects of CBRE's strategy include local technical expertise, cost reduction by leveraging the local CBRE platform, and access to the best local suppliers in each country.

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**- Janice Wung,
Program Manager, Buildings Research**

In addition to offering its sector-based approach, CBRE introduced a unique 1-5-4 model for FM in 2021, referring to 1 foundational mission, 5 performance drivers, and 4 client outcomes. This framework utilizes CBRE's proprietary tools and services to support dedicated teams for clients, in terms of offering scalable, reliable services and optimizing overall value. The 5 drivers of global integrated management, technical excellence, procurement advantage, asset performance, and energy excellence, and smart portfolios add up to successful, transformative business cases with net double-digit savings for CBRE's clients.

With the wider need for standardization throughout the lifecycle of an FM engagement, from bidding to operations, CBRE recognizes the importance of having a single point of contact to ensure synergy and seamless transitioning by creating bid-transition-operate (BTO) roles in APAC. Setting up BTO teams ensures value maximization and consistency through the entire lifecycle, starting from the request for proposal (RFP) and solutioning to transitioning and post go-live operations. CBRE aims to strengthen its competitive advantage of service delivery standardization and ensure that appropriate innovations are incorporated into proposals, in addition to providing assurance that the proposed solutions will be implemented and supported throughout the engagement period.

In addition to offering operating models and FM models, CBRE invested in energy and sustainability in 2021, with a greater client focus on environmental, social, and governance (ESG) and the commitment to net zero. Through its innovations, such as the APEX7 program, smart portfolio, smart building solutions, and decarbonization solutions incorporated into CBRE's core FM services instead of remaining standalone, disparate services, the single point of contact can assist clients through a simplified obtainment toward net zero or ESG goals.

Another example of CBRE's growth strategy is its recent strategic partnership with Turner & Townsend, a reputable company that offers program management, cost consultancy, project management, and advisory consulting services, particularly for the real estate, infrastructure, and resources segments. This partnership allows CBRE to leverage Turner & Townsend's capabilities while advancing its own diversification strategy across asset types and lines of business.

CBRE's successful implementation of the above-mentioned strategies resulted in commendable engagements with key clients in APAC in 2021, including the following:

Swiss pharmaceutical client: CBRE provided a single partner solution with pharmaceutical sector expertise, cost savings, and end-to-end real estate expertise. Key achievements included a 5% cost savings during the year, an enhanced workplace experience for employees, harmonization of two manufacturing sites during the COVID-19 pandemic, a completed Health Science Authority (HSA) audit with zero findings, and the deployment of the CBRE Vantage Analytics tool across all service lines for better business decision making.

JTC: This client is CBRE's first large-scale government integrated FM (IFM) project in Singapore, covering a managed gross floor area of 2.84 million square feet. By delivering next-generation FM services to JTC's sites and by working together to deliver major cost savings (40% cost savings achieved) by contracting and fostering a culture of innovation and enhancing operational and sustainability best practices, CBRE helps JTC remain ahead in the industry and provides advisory to Singapore's Whole-of-Government (WOG) on FM best practices.

Carlton & United Breweries (CUB): This client was seeking an integrated solution across its unique portfolio, which includes various property categories, such as large manufacturing environments that require compliance with Good Manufacturing Practice (GMP) standards. CBRE rolled out a One Team, One Solution approach with a single point of contact for CUB, creating holistic accountability on performance, a consistent approach to risk management, and a robust approach to health and safety compliance. By leveraging its in-house technical expertise and national network of supplier partners to deliver specialized maintenance and soft services, CBRE helped CUB establish a triple ISO-certified, integrated management system and create a single access source for portfolio data through the CBRE Vantage Analytics platform. In 2021, following CUB's acquisition of Asahi Beverages, CBRE completed a self-initiated performance improvement plan to determine how best to realign its service delivery model with CUB's renewed needs.

CBRE strongly believes in staying at the forefront, in terms of innovation and technological adaption, to strengthen its service delivery capabilities. The company, therefore, made two acquisitions in APAC in 2021. In Australia, CBRE acquired ICE Technical Services to enhance its technical self-delivery capability, and in Indonesia, the company acquired a new license that allows for operating personnel to self-perform a combination of support services in clients' facilities.

CBRE, as a global company, has been investing heavily in strategic partnerships and acquisitions for research and development (R&D) and innovation, amounting to \$2.6 billion since 2014. In 2021, the company acquired Thelem Consulting, a leading Australian infrastructure and development services firm that provides development planning and feasibility services, design management, construction planning, contracts, and commercial and strategic procurement services. Moreover, CBRE has invested in Fifth Wall's climate technology fund, where the venture capital firm invests in and enables next-generation sustainability in leading-edge real estate-related technology firms.

Furthermore, CBRE invests \$50 million annually in subject matter experts (SMEs) from various platforms to bring innovations to the respective service lines and sectors, aiming for process standardization and ultimately improving service delivery.

CBRE utilizes a build-buy-partner approach in its digital and technology platforms, providing it with an attractive market position by proposing a combination of proprietary and non-proprietary technologies, thus offering flexibility to clients to customize and drive the best outcomes. CBRE is a four-time winner of the CoreNet Global Innovator's Award, which is a testament to its innovative culture.

On the energy and sustainability (E&S) front, CBRE has integrated this concept into its core FM services and commitments, with the following initiatives or technologies introduced in 2021:

- **Decarbonization roadmap and audits:** CBRE's E&S SMEs carry out strategic decarbonization exercises to define clear roadmaps to support clients' net zero commitments, thus offering holistic steps and timelines to reach E&S goals.
- **Smart portfolio and smart buildings:** CBRE's in-house CBRE Smart Building platform and other Internet of Things (IoT) technologies are utilized to design, install, manage, and support performance-building automation solutions, regardless of facility size or type. A key differentiator for CBRE's solutions, compared to competing solutions, is that the company's solutions are building management system agnostic and can thus be integrated with various brands and types of existing systems.
- **Circular economy and sustainability consulting:** The company's circular economy team can support clients' needs on circular economy, water and waste management, and optimization programs, subsequently calculating the carbon footprint reduction and associated savings.
- **Renewable energy:** CBRE has a network of partners across APAC to support clients' RE100 targets by adopting various renewable energy options. RE100 is a global initiative where companies commit to 100% renewable electricity.
- **Electric vehicle charging (EVC) infrastructure:** Through its partnerships with a wide variety of EVC infrastructure providers, CBRE stands out among other FM providers because its in-house EV team provides the management, installation, and deployment of EVC infrastructure across APAC.
- **APEX7:** This program encompasses elements of the E&S services discussed above, delivering an integrated, data-driven approach to asset lifecycle management and the decarbonization of assets and portfolio carbon emissions. The program serves as a holistic method to accomplish asset management and net zero with a single program.

Another focus area that has been gaining traction is on security, risk, and resilience, particularly with return-to-office uncertainties associated with the COVID-19 pandemic. In 2021, CBRE launched its new security, risk, and resilience service line in APAC to provide regionally based accounts with dedicated platform support. In addition to offering conventional physical security services, CBRE has the in-house capability to deliver end-to-end, holistic security solutioning through a security risk management methodology that is underpinned by the Organizational Resilience framework. Client's confidence in CBRE's security solutions can be maximized because the outcome is commensurate with the risk faced by each client. Through security intelligence and innovative security technology, CBRE can transform security programs into cost-saving initiatives, thus maintaining the necessary level of security risk mitigation.

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Customer Centric and Backed by Operational Excellence

The COVID-19 pandemic has transformed work flexibility from a desirable perk to a common practice, where sustaining the level of flexibility at scale requires a transformation of people, processes, and infrastructure to enhance the employee experience in a flexible environment while delivering on the value of flexible working and with outcomes on engagement and productivity. With flexibility comes the challenge of uncertainty, where companies struggle to strategize and plan for the right occupancy and activities in their offices. The pace of recovery and restrictions that differ from country to country make this process more difficult, resulting in the need for more agility to scale up or down.

CBRE implemented the following series of programs to support its employees and clients through the current uncertainties:

- **Crisis management team (CMT):** CBRE introduced its global CMT to ensure the alignment across teams and quick decision making through a codified process, leading to swift and consistent communication with global clients and account teams. Internal teams leverage this tool daily for direction on an array of topics, from cleaning guidance to exposure protocols and work-from-home policies.
- **Quality, health, safety, and environment (QHSE) initiatives:** These initiatives foster close partnerships with CBRE's QHSE experts worldwide to offer specific pandemic guidelines to clients, account teams, and employees in areas related to exposure risk assessment, personal protective equipment (PPE) guidance, and governmental orders.
- **People programs:** These programs proactively provide guidance on exposure to COVID-19-related risks, childcare, time-off management, and other benefits, with managers undergoing periodic training focused on leadership during adversity and HR-led mental wellness initiatives to keep CBRE's employees safe, mentally well, and informed.
- **Vantage analytics:** CBRE introduced this initiative in 2020, which continued to serve clients well in 2021. The deployment of COVID-19 analytics and dashboards allows each client account team to stay informed on governmental orders and to monitor outbreaks and overlay data with client portfolios and people locations.

Clients appreciate CBRE's quick deployment of various initiatives that are aligned with their disruptive needs and requirements as a result of COVID-19, including establishing a strategic and preferred supplier list for specialized COVID-19 supplies, confirming supplier business continuity plans, and developing guidelines and protocols for enhanced services (e.g., cleaning and disinfection). The extra steps that CBRE has taken to keep its clients informed on its initiatives and to create a forum for clients to engage with each other in the development and implementation of COVID-19 practices have been key differentiators for CBRE during these challenging times.

In addition, CBRE introduced a new return-to-work feature into its well-received Host app, which is a technology platform that provides users with easy access to services and amenities in their workplace. The return-to-work feature has been useful for organizations in supporting a hybrid workplace, particularly with the current return-to-office period, where users can check who else is coming to the office on a particular day, thus making collaboration easy and seamless. Moreover, organizations can

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impose restrictions on the occupancy rate or roll out health questions for employees to answer before returning to the office. This feature has been deployed to all existing clients and has received positive feedback.

In addition to building a strong, customer-centric platform and introducing initiatives to support clients over the past two years, CBRE continues its operational excellence journey. In 2021, the company's regional team introduced an APAC FM

certification, which is a comprehensive program designed specifically for CBRE's GWS FM staff in APAC. The program includes industry-recognized and approved courses from the Institution of Occupational Safety and Health (IOSH) and International Facility Management Association (IFMA), together with courses developed by LinkedIn, Harvard, and CBRE's SMEs. The online, self-paced training includes curated content across 10 core competencies, covering FM fundamentals, technical knowledge, and CBRE- and industry-recognized best practices. In 2021, the program attracted 1,430 registrations from CBRE's APAC workforce.

These new customer-centric and operational excellence-driven initiatives have further strengthened CBRE's existing core FM offerings and customer value, as evident by its strong foothold in APAC, with 56 offices and more than 12,000 employees serving 5,017 client sites from 407 accounts, including more than 90 Fortune 100 clients in the region. Some of CBRE's key clients include Unilever, Nvidia, Dow, Juniper, Royal Bank of Scotland (RBS), Swiss Re Group, Kimberly-Clark, Electronic Arts, Firmenich, Capgemini, and AkzoNobel.

Securing key accounts and renewals reflects the successful implementation of new strategies and well-received initiatives that are rolled out with customer value optimization in mind. For example, an undisclosed banking client praised CBRE for its operational excellence based on its optimized technical services delivery using mobile tech teams. The client achieved an energy reduction of 25.2%, elevated service levels through a standardized delivery model, and revolutionized security services through

regional security operation centers. CBRE assisted the client in its workplace strategies and changed management, enabling flexible working across the client's Asia portfolio, and further driving productivity. These measurable outcomes and achievements have led to the client renewing its engagement with CBRE in APAC for an additional five years.

In terms of gauging customer satisfaction, CBRE believes in generating consistent great outcomes for clients. Based on its annual client survey conducted by a third-party consulting firm, CBRE achieved 98% client satisfaction in 2021, with 72.8% of clients indicating that they have enjoyed exceptional outcomes and experience.

These commendable survey results reflect CBRE's competitive advantage, in terms of global reach, full services and integrated solutions, financial strength and investments, and world-class thought leadership, differing from its competitors because CBRE's initiatives and solutions are highly effective and quantifiable. In addition to achieving quantifiable client satisfaction, CBRE has achieved an impressive average renewal rate of over 90% for strategic accounts in the past five years, with many remaining as CBRE's global clients for over 20 years. Moreover, the company has achieved proven performance with a net promoter score of 85%, which is a strong testament to the customer value that CBRE brings to the APAC market.

CBRE's ability to excel during challenging times while still emphasizing service and operational excellence and maintaining its strong customer experience has been key to the company's commendable market positioning in the region and ability to sustain consistent and repeatable success.

Conclusion

With substantial changes in the workplace and with working behaviors significantly impacting FM needs and requirements, CBRE promptly shifted to implement compelling growth strategies, in terms of value proposition, service delivery, identification of new opportunities, and a greater focus on energy and sustainability, thus leading to the company's commendable performance in 2021 in APAC.

CBRE's continued emphasis on service and operational excellence while maintaining a strong customer experience has allowed it to generate repeatable and consistent success in APAC. By leveraging its global reach, strategy alignment, and technology-oriented initiatives, CBRE is set to uphold its market positioning in the region.

With its strong overall performance, CBRE Global Workplace Solutions earns Frost & Sullivan's 2022 Asia-Pacific Competitive Strategy Leadership Award in the facility management industry.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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The Growth Pipeline Engine™

Frost & Sullivan’s proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

