

Property management

Managing carbon throughout the Real Estate supply chain



What's the carbon management issue?

Carbon emissions from buildings, such as those from air conditioning and lighting, account for 45% of the UK's carbon footprint.

Staff behaviour that can affect carbon use is closely linked to the working environment. Environmentally-responsible behaviour can be greatly encouraged by the appropriate management of buildings and their support services.

Local renewable energy sources, which may include micro-generation, combined heat and power and waste-to-energy schemes, are within the scope of property management, as is the use of sustainable material in refurbishments and capital projects.

Many ways of cutting CO₂ emissions pay for themselves, so money saved can be re-invested in other carbon reduction activities. Such initiatives have been shown to improve the working environment, staff morale and productivity.

Many organisations have outsourced their day-to-day building management, leaving them with limited opportunities to exercise direct control over emissions. Their extended real estate and facilities supply chain therefore has its part to play in carbon management. This may be in relation to which assets are maintained, or more generally to how services are delivered.

Real estate strategies also have indirect effects. The geographic distribution of a property portfolio influences the carbon used by staff and suppliers when travelling to and from sites, while the internal layout of a building determines how efficiently space is used.

Legislation will increasingly oblige owners to reduce their property's carbon footprint. Organisations which proactively address the issue today will avoid decisions that could prove costly to rectify in the future.

What's the solution?

Carbon-focused property management should address both demand- and supply-side factors.

On the demand side, the less space your organisation occupies, the smaller your carbon footprint. An estates review can identify ways to improve

the use of space in your buildings whilst highlighting opportunities for rationalisation.

Options typically range from the implementation of space standards to the physical remodelling of accommodation. The introduction of more efficient open-plan offices may be accompanied by such cultural changes as desk-sharing and the deployment of the modern technology necessary to support a mobile workforce.

Most organisations simply have to work with the buildings they have. A sustainable property portfolio analysis recognises this, while explicitly addressing the carbon impact of the disposal and acquisition of buildings. Investment may be prioritised not by a facility's absolute carbon impact, but rather by the associated "influenceable carbon", i.e. the opportunity to reduce carbon emissions.

On the supply side, carbon-sensitive procurement strategies, specifications and service levels will encourage the appointment of service providers with a carbon-friendly corporate culture. These may be incentivised not only to deliver the services in a sustainable fashion but also to innovate and proactively identify carbon management improvements.



In many instances, suppliers are not only able to provide genuine support to occupiers in improving the environmental performance of their buildings, but are also keen to take on performance risk and invest in more sustainable assets, given suitable contract durations.

None of this is possible without good data. Benefits are maximised when supported by an asset data management system that focuses on carbon impact.

How to get started?

IBM has developed a rigorous methodology that can lead to specific, practical ways to reduce your property-related carbon emissions.

The major steps are:

1. *Understand current carbon use*
2. *Set future targets*
3. *Design and implement measures to achieve them*
4. *Demonstrate achievement of targets.*

We have developed a series of maturity profiles based on carbon management “best practice” statements. Discussing these with your staff not only provides information on how your company is performing in particular areas, but also offers an opportunity to raise specific ways of cutting carbon output.

Alongside this qualitative information, we collect and analyse hard data, focusing on those areas that we expect to make the largest contribution to carbon use within your particular industry. We complement and test these conclusions through further interviews.

An analysis of the gap between industry best practice (from both

maturity profiles and benchmark figures) and your organisation’s current position helps to define a compelling reason for change, sets realistic targets and provides the momentum to make the changes.

Working closely with your staff, IBM would propose a number of possible courses of action. These are prioritised by factors including initial and whole-life costs, duration, cultural ease of implementation and absolute carbon impact. They may include work programmes such as:

- *Property portfolio optimisation*
- *Workplace transformation*
- *Management information systems to track demand and supply of goods and services*
- *Procurement rationalisation*
- *Process optimisation.*

Once an overall approach has been agreed, IBM can assist in planning its implementation and management. We can help with physical works and IT infrastructure, as well as with the cultural and organisational changes that frequently accompany property-related change programmes. Just as importantly, we can help establish a “carbon dashboard” tracking and monitoring regime to demonstrate that your targets are being achieved and the anticipated benefits are being realised.

IBM is a recognised leader in the environmental management of its own worldwide property portfolio. We can help you reduce the carbon emissions from yours.

*IBM is committed to environmental leadership in all of its business activities. For further information see **ibm.com**/ibm/environment*

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