



Mark Daniel

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# Spreading the word on CRE

CRE CONSULTANT MARK DANIEL SAYS PRACTITIONERS IN HIS INDUSTRY NEED TO HELP DRIVE THE CORPORATE BUS. HE SPOKE TO CHRIS LARSEN ABOUT HOW CRE PRACTITIONERS SHOULD BE 'WALKING THE TALK'.

**C**lients be damned – market yourself to your own company instead.

That's Mark Daniel's message for Australian corporate real estate operatives keen to move themselves, and their profession, up the corporate ladder.

Daniel – a chartered surveyor by trade and director of CRE consultancy Property Beyond – says CRE practitioners need to promote themselves within their companies.

“CRE people have to sell themselves effectively to the business units (of companies) but also to the CFOs and CEOs,” Daniel says.

“It's the same way any person would market themselves,” he says – inform them of the CRE unit's capabilities and services.

“It's a combination of walking the talk and walking the corridors, delivering and telling everyone what you've done.

“It's through building a reputation. You're only as good as your last job, so they say.

“That's how you raise the profile of CRE

and move up the food chain.”

Daniel says the reasons for doing so are not just to boost the prestige and influence of CRE. ‘Walking the talk’ can also influence a company's bottom line.

He argues it is more cost-effective to be strategic rather than reactive. A CRE unit that's on the ground floor of business strategy can influence decisions that, over the long term, will save a corporation money. Being in the driver's seat means savings can be made up front, reducing the need to cut facilities management costs later.

“CRE people always complain that they're not included in a corporate acquisition (for example),” Daniel says.

“The CRE group has to act more strategically. More often, property is seen as a head-office fixed cost.

“Unless you can drive the agenda then it's much harder to come back afterwards and reduce costs.

“The smarter cost reduction (strategy) is

getting in early ... understanding the business, asking where it's going ... (and) defining the logical road to get there.

“The property agenda has to be driven by the business strategy, not by lease expiry dates.

“You only get to a point in the organisation where they'll pick up the phone ... if you've marketed yourself effectively and defined your capabilities.

“If property can approach this from a much more proactive point of view then other business units are much more willing to engage them ...”

Becoming part of the business strategy also means aligning CRE with other important business units, such as finance and IT.

“CRE (operatives) need to be much more aligned with the IT and financial set,” he says.

“CRE is becoming a specialist skill ... and is developing as a profession in its own right,” whereas in previous years it had been ►

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seen as a co-ordinator role.

“Now it’s much more of a strategic role. It’s the next phase in the evolution.”

### CRE as a business enabler

IT and HR operatives long ago recognised the need to position themselves as drivers of business influencers, and their influence increased commensurately.

Now it’s time for CRE to step up to the plate.

“(CRE) is a business enabler. It all comes from the business, not from when your next lease expiry is,” Daniel says.

He suggests CRE needs to align itself with other business units, such as the IT and HR functions. And it’s already happening.

“A lot of organisations have done that and created infrastructure groups,” he says, merging the IT, HR and property functions to deliver more holistic solutions.

“It works, to a degree. I’d say it’s something that’s probably growing.”

If CRE operatives don’t do so, they risk losing influence, Daniel says.

“If they don’t take the lead on that agenda

then the IT people will, or the HR people will.”

Aligning CRE with a company’s IT and HR functions also allows the CRE practitioner to help define the property impact on staff, Daniel says.

“One of the biggest business costs is salary costs. If you’re building a property strategy around an office facility or a call centre then that involves a lot of people.

“If you’re choosing where to locate a function you have to look at salary costs and (staff) retention. That’s one of the key factors on where to locate.

“If you’re relocating then that’s a huge cost if people are going to leave,” and take their skills with them.

“When you’re driving a property strategy, understanding the people impact is important.”

### Outsourcing: the current & future challenge


While outsourcing is by no means a new concept to CRE, Daniel says it remains a fu-

ture challenge for the industry.

“There are so many businesses that are under pressure to reduce costs at the moment,” he says.

“One of the main challenges is really demonstrating how (CRE operatives are) adding value to the organisation and taking an operational lead to where the business is going.

“They have to be careful how much they outsource. That strategic (CRE) role has to be maintained in-house.

“If they outsource too much then there’s no-one in-house driving the strategic agenda. That’s one of the dangers if outsourcing goes too far.” 

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