

Corporate Real Estate Outsourcing: A Survey of the Issues

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Abstract. One issue facing corporate real estate managers is how to effectively manage the real estate assets in the current market environment. As the need to cut costs and to emphasize the core business has increased due to current economic conditions, real estate outsourcing of services or the entire project has developed as a way to cut costs and possibly maintain or improve the level of expertise in the management of corporate real estate. This paper examines the issues and problems that may occur when a corporation outsources its corporate real estate function.

Introduction

One issue facing corporate real estate managers is how to effectively manage the real estate assets of the firm in the current market environment. As the need to cut costs and to emphasize the core business has increased due to current economic conditions, real estate outsourcing of services has developed as a way to cut costs and maintain or improve the level of expertise in the management of corporate real estate. Jan Jaben (1992), drawing inferences from statements by Mark Hoewing, executive director of the National Association of Corporate Real Estate Executives (NACORE), indicates that some corporations have abolished the corporate real estate department and others have greatly reduced the size of the department, resulting in a growing demand for outsourcing of real estate services. Outsourcing as an issue involves the decision to replace internal provision of services with external provision of those services. Many companies, even those conducting much of their own work have used external service providers extensively. The new element is the number of firms and the increasing outsourcing of services formerly provided internally.

The downsizing of corporate real estate departments and the potential future growth in outsourcing indicate that providers and corporations need to work effectively together to manage the real estate needs of the corporation. Yet, outsourcing of real estate and the growth in this area has created a situation where agency issues and other problems may arise. In order to determine the nature of existing issues or problems and possible solutions, corporate real estate managers and service providers were surveyed. One survey was conducted to identify problems that reduce the effectiveness of the corporate real estate managers's use of outside real

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estate services. The second survey was conducted to identify the problems that real estate service providers encounter in providing their services to corporations.

The purpose of the surveys and this paper is to identify issues associated with the outsourcing of corporate real estate from both the corporate manager's and service provider's perspective and to offer general recommendations that should enhance the interaction and communication between the corporate manager and the service provider and thus enhance the effective management of the corporation's real estate.

The next section discusses the literature on outsourcing. Section three explains the research method and the data. The fourth discusses the finding and section five presents general conclusions and recommendations for the corporate manager and the service provider.

Previous Articles

Several articles discussing the outsourcing of corporate real estate have appeared in the *National Real Estate Investor*, *Site Selection*, and the *Wall Street Journal*. The articles offer a general overview of current challenges facing corporate real estate departments and the direction that outsourcing is taking. In some cases the entire real estate function is taken over by a real estate firm, e.g., Cushman and Wakefield agreed to manage all of PacTel's real estate holdings, replacing the in-house staff of PacTel Corp., San Francisco (Harlan, 1992). In other cases, companies such as Ford Motor Land Services Corp., which handles all of Ford's real estate needs, outsource many of the real estate functions by using outside real estate professionals extensively (Jaben, 1992). One other example is the arrangement between Baxter Healthcare Corp. and Trammell Crow. Trammell Crow is now handling all facilities planning, real estate purchases, property management, and real estate sales for Baxter (Harlan, 1992). Timothy L. Richardson, president of Atlanta-based Development Consultants Ltd., states that: "outsourcing is a long-term phenomenon and expects that it will be 10 years before corporations build up their real estate departments and that the people remaining in current departments are management people who will manage a project by selecting an outsource team to do the process for them."¹ Jaben (1992) states that consolidations and downsizing is one of the driving forces behind outsourcing. The general concensus is that corporate real estate outsourcing is here for the long term and that corporations and providers must work together to effectively manage the corporation's real estate needs.

One dissenting voice regarding the role of outsourcing in corporate real estate is Jack L. Brophy. He is Vice-President and Director of real estate administration for USG Properties of USG Corp. He argues the hypothesis that outsourcing real estate providers can handle real estate projects better than an in-house department is a fallacy. He states: "In summary, the out-sourcing hypothesis is flawed and the dialectic fails. Out-sourcing does not seem to be a viable real estate program. There is no hard evidence indicating that out-sourcing can accomplish the corporate real estate function better, more efficiently and at lower costs than the service provided by the in-house corporate department."²

Jack Lyne (1991) also indicates that outsourcing of real estate services is controversial, but likely to become more prominent in the 1990s. Gloria Schuck (1991)

writes: "Out-sourcing is a complex topic, yet it is clear that the issue is not whether out-sourcing is good or bad, but rather whether clients and consultants are engaged in learning partnerships across traditional organizational boundaries. It is only within these learning partnerships that real estate executives can most effectively utilize consultants to help meet the challenges of an increasingly intricate and changing industry."³

Data and Research Method

Kimble Associates, Inc. in 1990 conducted a survey to identify problems that reduce the effectiveness of the corporate real estate managers' use of outside real estate services. The survey consisted of a questionnaire that was sent to real estate managers of ninety-two corporate real estate departments and executives of seventy-two real estate service companies (see Appendices A and B for the questions asked of the Corporate Manager and the Service Provider, respectively). The recipients were all members or associate members of the Industrial Development Research Council (IDRC), an international organization of Corporate Real Estate and Facility Planning Executives.

The seventy-two IDRC associate member firms that provide real estate services to corporations were asked to identify problems that they have in providing their services to corporations. Fifty-three, or 73.6%, returned the questionnaire. The typical service provider had more than (twenty) professionals and had experienced a growth in staff.

The ninety-two corporate real estate managers of IDRC member firms were asked to identify which outside real estate services they use, how they select the real estate service provider, and what are the most frequent problems they have in using outside service providers. Forty-seven, or 51.1%, returned the questionnaire. Of the firms responding, 92% had sales over \$1.0 billion, leased 51% of their real assets and had annual lease payments of \$75.6 million. The typical real estate department had less than five professionals with staff size remaining constant and increased use of outside services.

Findings

The responses from the questionnaire indicate several general conclusions. Corporations are outsourcing more of their real estate requirements, providers are increasing their staff size to meet the increased demand and both (corporate real estate managers and service providers) have significant problems working with each other. Managers prefer to work with individuals they know; they identify providers through professional affiliations and associate recommendations; managers look for "roll-up the-sleeves" support for specific tasks; and providers are performing strategic services for senior management. (For a complete summary of the responses by question see Appendix A and Appendix B.)

Corporations Prefer to Work with Providers They Know. Long-term relationships are important to both Providers and Corporate Managers. Having positive prior

experiences with a Provider Company is important, but the quality of the employee who will be assigned to the project seems to be the most important factor to Corporate Managers.

Managers suggest that to build relationships, Providers must be willing to accept small jobs, accept only jobs where they are qualified, use the same calibre of employee to perform the assignment as the one who presented the proposal, and that they look to the real estate manager as their interface to the corporation.

Corporations and Providers Seek Each Other in the Same Way. Providers are found most frequently through the Managers' professional affiliations and associate recommendations, and not through cold calls and mass mailings. Managers recommended that Providers emphasize the personal approach to marketing their services, including active participation in professional associations and one-on-one visits with Corporate Managers.

Providers Do Not Provide What Managers Need. A Comparison of the Managers' five most frequently used outside services with the services provided to corporations shows a substantial mismatch (see Exhibit 1). It appears as though the Providers are orienting many of their services away from real estate Managers and toward senior management.

Providers recommended that Managers take a broader, more strategic approach to their responsibilities. Providers should be willing to encourage Managers to free themselves from the task-oriented demands of their jobs and to focus on the broader strategic issues.

At issue in much of the controversy is the role of the real estate Manager and the role of the services Provider. If the role of the Manager is to manage the real estate process, decide what services to provide in house and to select and monitor specialized service Providers, then the Manager is a general Manager helping to determine the strategic role of real estate in the corporation. In this role, Managers are able to withstand any attempts by service Providers to replace the Manager or to bypass the corporate real estate department. Not all Managers see their role as that of a general Manager who oversees the real estate process. They often feel that their expertise should be to conduct the details of the real estate affairs of the firm. And in such cases if the service Provider is trying to replace the inside Manager, then the service Provider has every reason to attempt to bypass the real estate Manager by pitching his services to senior management. Thus, part of the solution to the controversy surrounding outsourcing is to clearly define the role of the real estate Manager and service Providers within the corporate environment.

Problem Areas Indicate Three Challenges Facing Managers and Providers. A look at the problem areas identified by both the Managers and Providers presents some interesting correlations. Because both the Managers and Providers are working together on the same types of projects, one would expect to see related problems identified by both the Managers and the Providers. This relationship is clearly evident in the Managers' and Providers' responses.

Corporate Users complain that Providers do not understand the company or culture, that Providers do not listen and do not communicate, that the Provider staff

Exhibit 1*

Outside Services	Managers Ranking**	Providers Ranking
Traditional Brokerage	1	8
Disposition Marketing	2	7
Construction Management	3	6
Tenant Representation	4	5
Site/Space Selection	5	1

*Ranking of outside services by Managers and Providers based on response from question 2.2 from Summary of Responses—Corporate Managers, Appendix A, and question 1.0 from Summary of Responses—Service Providers, Appendix B

**Managers' rankings have been adjusted to remove the required services of appraisal, environmental engineering, and space planning.

is not experienced and knowledgeable, that Provider reports are not in usable formats, the financial analysis is of low quality, and that Providers always try to go over the Manager's head.

Corporate Providers complain that Users do not have clear objectives, that not enough lead time is allowed for effective implementation, that honest feedback is not provided during the proposal stage, that Users screen the Provider from the real decisionmaker, and that Users are more concerned with price than quality.

Three general problems surface from the detailed responses. In each case, both the Managers and the Providers contribute to the problems. This summary, however, follows the adage that the "Customer is always right." The following observations are therefore presented as though they were addressing only problems with Providers. The general problems and the selected data supporting the observations follow:

Understand the Corporate Mentality/Environment

It appears from the responses that Service Providers do not understand the clients they work for (see Exhibit 2). They violate reporting relationships, expect too much corporate input in the process, and present their responses in a format that the client cannot use without rework. Providers experience frustration with the timeliness of the corporate decision process, feel that their contact often misrepresents his/her authority, and complain about a lack of timely approvals.

Managers recommend that Providers take the time to learn about their client's organization, respect reporting relationships, make sure they have a clear understanding of the approval process, identify and follow format and presentation requirements that are unique to the firm, and rely less on corporate input to accomplish their assignments.

Deliver the Promised Service

Corporate Managers' responses indicate that the primary problem with Service Providers is that they do not deliver what they promise (see Exhibit 3). The work is often late, is not thorough, requires rework, and does not show independence of thought. Additionally, there is the perception that

Exhibit 2*

Corporate Stated Problem	Percent of Total Responses	Provider Stated Problem	Percent of Total Responses
Understanding the Corp	9.7	Timeliness of Decision	6.3
Corporate Format	5.4	Misrepresented Authority	7.6
Dependence on Corp	3.7	Number of Presentations	2.6
Reporting Relationships	3.0	Payment Delays	2.2
Total Corporate	21.8	Total Providers	16.5

*issues relating to understanding the Corporate Mentality/Environment, selected issues from Appendix A, Summary of Responses—Corporate Managers, questions 4.0 and 4.1 and from Appendix B, Summary of Responses—Service Providers, questions 3.0 and 3.1

Exhibit 3*

Corporate Stated Problem	Percent of Total Responses	Provider Stated Problem	Percent of Total Responses
Timely Completion	7.7	Poorly Defined Scope	7.8
Thoroughness	6.0	Unrealistic Timing	6.3
Rework Required	6.0	Timely Feedback	5.4
Level of Experience	5.7	Quality of Data Provided	5.2
Integrity of Opinions	4.4	Client Availability	4.7
Breadth of Skills	4.0	Unrealistic Expectations	4.5
Dependence on Corp	3.7	Responsiveness	3.4
Readability	3.4		
Confidentiality	3.4		
Worker Experience	3.0		
Accuracy	2.7		
Total Corporate	50.0	Total Providers	37.3

*issues relating to delivering the promised service, selected issues from Appendix A, Summary of Responses—Corporate Managers, questions 4.0 and 4.1 and from Appendix B, Summary of Responses—Service Providers, questions 3.0 and 3.1

Providers do not dedicate to the projects the level of experience and breadth of skills presented in the initial proposal presentations. Providers give a rationale for their performance being below expectations, including poorly defined project scope, unrealistic timing and overall expectations, poor quality of data provided by the corporations, and interim communication problems.

Managers recommended that Providers clearly understand the scope of the assignment and challenge unrealistic timing and overall expectations at the beginning of a project. Providers should be more sensitive to the Managers' concerns about timeliness, accuracy, thoroughness, and integrity of opinion as they complete their assignments.

Exhibit 4*

Corporate Stated Problem	Percent of Total Responses	Provider Stated Problem	Percent of Total Responses
Progress Reports	7.4	Timely Feedback	5.4
Timeliness	6.7	Client Availability	4.7
Level of Attention	2.3	Honest Feedback	4.3
Presents Surprises	2.3	Attitude toward Provider	2.6
		Calls Not Returned	2.6
Total Corporate	18.7	Total Providers	14.4

*issues relating to improving interim communications, selected issues from Appendix A, Summary of Responses—Corporate Managers, questions 4.0 and 4.1 and from Appendix B, Summary of Responses—Service Providers, questions 3.0 and 3.1

Improve Interim Communications

Communications between the Providers and the Managers tend to break down once the project is underway (see Exhibit 4). While the Managers point out that the Providers need to present more timely and better progress reports and that they need to focus greater attention on the client, the Providers suggest some possible reasons why communications may not be as effective as desired, including: clients are not available and do not return calls, and there is infrequent and vague feedback on the performance of the Provider.

Managers recommended that Providers make frequent, but brief, progress reports, be candid and surface problems or unusual circumstances immediately, and keep the more experienced personnel involved throughout the assignment.

Conclusions and Recommendations

Outsourcing is a growth area in corporate real estate that is experiencing its share of problems between the Corporate Managers of real estate and the Service Providers. To effectively deal with agency issues it is critical that Service Providers and Managers attempt to learn about each other and learn to clearly communicate needs, expectations and services. Communications ought to be a two-way street, open, honest and timely.

Some general recommendations follow: In terms of strategy, Managers should delegate/outsourcing day-to-day tasks and should proactively address corporate strategic real estate issues, and Providers should support Managers in the identification/implementation of strategic activities. In terms of qualification and selection of Providers, if the Provider is not the right firm for the job, this should be indicated initially, and if the User has determined that the Provider is not going to get the job, the Provider should be told. In terms of compensation, Providers should do the job

they were hired to do, even if it costs additional money, and compensation should be reflective of the value added.

The key to resolving User/Provider problems is found in the development of long-term relationships built on mutual trust, professional integrity and sustained performance.

Appendix A

Corporate Real Estate Outside Services Survey Summary of Responses—Corporate Managers

Kimbler Associates, Inc. asked the corporate real estate managers of ninety-two IDRC member firms to identify which outside real estate services they use, how they select the real estate service provider, and what are the most frequent problems they have in using outside service providers. A questionnaire was used to solicit their responses. Forty-seven, or 51.1%, returned the questionnaire. The questions asked and the responses received follow.

Corporate Definition

1.0 *What were the corporation's prior year Sales/Revenues?*

Corporate Prior Year Sales	Number of Responses	Percent of Responses
Less than \$50 Million	0	0.0
\$50 to \$250 Million	1	2.1
\$250 to \$500 Million	0	0.0
\$500 Million to \$1.0 Billion	3	6.4
More than \$1.0 Billion	43	91.5

1.1 *What percent of the company's real estate assets are leased and what are the annual lease payments?*

Real Assets Leased

Respondents	41
Average % Leased	50.8
Maximum % Leased	99.0

Average Annual Lease Payments (\$ Millions)

Respondents	32
Average Payment	\$75.6
Maximum Payment	\$720.0

1.2 *How many Corporate Real Estate employees are there? (Exclude Secretarial and Property Management.)*

Corporate Employees	Current Personnel		Two Years Ago	
	Responses	Percent	Responses	Percent
Less than 5	29	61.7	28	59.6
5 to 10	9	19.1	10	21.3
10 to 20	4	8.5	5	10.6
More than 20	5	10.6	4	8.5

Sourcing Providers

2.0 *Is your firm using outside service providers more, the same, or less than it did two years ago?*

Degree of Use	Number of Responses	Percent of Responses
More	24	53.3
Same	19	42.2
Less	2	4.4

2.1 *List the three most often used ways of identifying outside service providers/consultants. (Number 1 meant the most used. Therefore, the lower the average weight of the response, the more frequently it was used by the respondents. Ranking is by number of responses first and then the lowest average weight of response.)*

Ways of Identifying Outside Providers	Rank	Number of Responses	Average Weight
Professional Affiliations	1	33	1.8
Associate Recommendation	2	32	1.8
Networking	3	32	1.7
Provider's Direct Contact	4	28	2.1
Real Estate Publications	5	3	4.3

2.2 *Rank from 1 to 5, the five outside services you use most frequently (Number 1 meant the most frequent. Therefore, the lower the average weight of the response, the more frequently it was used by the respondents. Ranking is by number of responses first and then the lowest average weight of response.)*

Most Frequent Outside Services	Rank	Number of Responses	Average Weight
Appraisal	1	36	2.64
Traditional Brokerage	2	34	2.06
Environmental Engineering	3	33	2.94
Disposition Marketing	4	26	2.77
Construction Management	5	18	3.28
Space Planning	6	18	3.50
Tenant Representation	7	16	2.88
Site/Space Selection	8	13	2.85
Project Feasibility Analysis	9	6	4.17
Real Estate Strategic Planning	10	4	4.00
Lease Management Software	11	3	3.00
Asset/Portfolio Management	12	2	3.50
Cost Containment	13	1	4.00
Lease Analysis	14	1	4.00
Organizational Studies	14	0	0.00
Staffing/Employment	14	0	0.00

- 2.3 *Note the three characteristics that most influence your selection of a service provider. (Number 1 meant most frequent. Therefore the lower the average weight of the response, the more frequently it was used by the respondents. Ranking is by number of responses first and then the lowest average weight of response.)*

Influential Characteristics	Rank	Number of Responses	Average Weight
Quality of Assigned Employees	1	29	1.66
Past Experience	2	27	1.85
Local Expertise	3	27	1.96
Recommendation of Others	4	18	2.44
Amount of Fee	5	10	2.70
Overall Chemistry	6	12	2.33
National Scope	7	9	2.11
Breadth of Services	8	5	1.40
Quality of Presentation	9	4	2.25
Confidentiality	10	3	1.67
Contingent vs. Fixed Fee	11	3	2.33
Independence	12	2	1.50
Reputation with Sr Management	13	2	2.00
Years in Business	14	2	3.50
Number of Employees	15	0	0.00

- 3.0 *Circle your preference as it relates to service providers.*

Corporate Preferences	Number of Responses
Local Firm	23
National Firm	18
Traditional Broker	27
Tenant Representative	11
Specialist	25
Full-Service Firm	16
Smaller Retainer	18
Larger Contingency Fee	12
Different Providers	38
One Provider for All Projects	7

Problem Areas

- 4.0 *Check the areas where you have the most frequent problems with service providers. (Ranking is by number of responses.)*

Problem Areas—Total Responses 298

Problem Areas	Ranking	Number of Responses	Percent of Area Responses	Percent of Total Responses
Quality of Field Work	1	73	100.0	24.5
Timely Completion		23	31.5	7.7

Problem Areas	Ranking	Number of Responses	Percent of Area Responses	Percent of Total Responses
Thoroughness		18	24.7	6.0
Dependence on Corp Input		11	15.1	3.7
Worker Experience		9	12.3	3.0
Accuracy		8	11.0	2.7
Scope Covered		4	5.5	1.3
Communications	2	51	100.0	17.1
Progress Reports		22	43.1	7.4
Timeliness		20	39.2	6.7
Respects Reporting Relationships		9	17.6	3.0
Interface	3	49	100.0	16.4
Understands Corporations		29	59.2	9.7
Responsive to Needs		10	20.4	3.4
Level of Attention		7	14.3	2.3
Attitude		3	6.1	1.0
Overall Professionalism	4	37	100.0	12.4
Conflicts of Interest		14	37.8	4.7
Integrity of Opinions		13	35.1	4.4
Confidentiality		10	27.0	3.4
Resource Dedication	5	35	100.0	11.7
Level of Experience		17	48.6	5.7
Breadth of Skills		12	34.3	4.0
Size of Assigned Staff		6	17.1	2.0
Quality of Presentation	6	28	100.0	9.4
Corporate Format		16	57.1	5.4
Readability		10	35.7	3.4
Appearance		2	7.1	0.7
Outcome	7	25	100.0	8.4
Rework Required		18	72.0	6.0
Presents Surprises		7	28.0	2.3

4.1 *The following ranks the problem areas and the detailed problems based on the total responses received to question 4.0.*

Problem Areas—Total Responses 298

Problem Areas	Ranking	Number of Responses	Percent of Total Responses
Quality of Field Work	1	73	24.5
Interface	2	49	16.4
Communications	3	51	17.1
Overall Professionalism	4	37	12.4
Resource Dedication	5	35	11.7
Quality of Presentation	6	28	9.4
Outcome	7	25	8.4

Area	Detail Problem	Ranking	Number of Responses	Percent of Total Responses
Interface	Understands Corporation	1	29	9.7
Field Work	Timely Completion	2	23	7.7
Communications	Progress Reports	3	22	7.4
Communications	Timeliness	4	20	6.7
Outcome	Rework Required	5	18	6.0
Field Work	Thoroughness	6	18	6.0
Resources	Level of Experience	7	17	5.7
Presentation	Corporate Format	8	16	5.4
Professionalism	Conflicts of Interest	9	14	4.7
Professionalism	Integrity of Opinions	10	13	4.4
Resources	Breadth of Skills	11	12	4.0
Field Work	Dependence on Corp Input	12	11	3.7
Presentation	Readability	13	10	3.4
Professionalism	Confidentiality	14	10	3.4
Interface	Responsive to Needs	15	10	3.4
Communications	Respects Reporting Relations	16	9	3.0
Field Work	Worker Experience	17	9	3.0
Field Work	Accuracy	18	8	2.7
Outcome	Presents Surprises	19	7	2.3
Interface	Level of Attention	20	7	2.3
Resources	Size of Assigned Staff	21	6	2.0
Field Work	Scope Covered	22	4	1.3
Interface	Attitude	23	3	1.0
Presentation	Appearance	24	2	0.7

Appendix B

Corporate Real Estate Outside Services Survey Summary of Responses—Service Providers

Kimble Associates, Inc. asked seventy-two IDRC associate member firms that provide real estate services to corporations to identify problems that they have in providing their services to corporations. A questionnaire was used to solicit their responses. Fifty-three, or 73.6%, returned the questionnaire. The questions asked and the responses received follow.

Provider Definition

1.0 *What type(s) of service(s) does your firm provide to corporations? (Services are ranked by number of responses received.)*

Services Provided	Rank	Number of Responses
Site/Space Selection	1	45
Project Feasibility Analysis	2	33
Real Estate Strategic Planning	3	32
Lease Analysis Consulting	4	28
Tenant Representation	5	26
Construction Management	6	23
Disposition Marketing	7	22
Traditional Brokerage	8	19
Space Planning	9	15
Asset/Portfolio Management	10	14
Cost Containment Consulting	10	14
Organizational Studies	12	12
Lease Management Software	13	11
Appraisal	14	9
Staffing/Employment	15	7
Environmental Engineering	16	5

1.1 *How many professionals provide services to corporations? (Exclude secretarial, administrative, and property management personnel.) Responses are shown as a percent of total responses.*

Number of Professionals	Now	Two Years Ago
Less than 5	18.9	17.0
5 to 10	11.3	20.8
10 to 20	15.1	9.4
More than 20	54.7	52.8

Sourcing Corporate Clients

2.0 *List the three ways you use most to find corporate clients. (Number 1 meant the most used. Therefore, the lower the average weight of the response, the more frequently it was used by the respondents. Ranking is by number of responses first and then the lowest average weight of response.)*

Way of Sourcing	Rank	Number of Responses	Average Weight
Networking	1	44	1.48
Associate Referral	2	33	1.70
Professional Affiliation	3	27	1.85
Cold Calling	4	20	1.75
Corporate RFPs	5	16	1.50
News/Publication Articles	6	8	2.88
Mass Mailings	7	6	1.83

2.1 *What characteristics most influence your willingness to provide services to corporations? (Rank is by number of responses.)*

Characteristics	Rank	Number of Responses
Long-term Relationship	1	45
Cultivate New Client	2	37
Utilize Existing Expertise	3	30
Size of Project	4	23
Professional Exposure	5	21
Amount of Fee	6	20
Future Recommendation	7	16
Develop New Expertise	8	11

Problem Areas

3.0 *Check the areas where you have the most frequent problems working with corporate clients. (Ranking is by number of responses.)*

Problem Areas—Total Responses 464

Problem Areas	Ranking	Number of Responses	Percent of Area Responses	Percent of Total Responses
Selection Process	1	97	100.0	20.9
Timeliness of Decision		29	29.9	6.3
Decision Feedback		24	24.7	5.2
Misrepresented Authority		17	17.5	3.7
Pre-awarded Request		14	14.4	3.0
Proposal Shopping		13	13.4	2.8
Proposal	2	92	100.0	19.8
Poorly Defined Project Scope		36	39.1	7.8
Unrealistic Timing		29	31.5	6.3
Fee Justification		16	17.4	3.4
Vague End-product		10	10.9	2.2
Format Requirement		1	1.1	.2
Interface	3	64	100.0	13.8
Quality of Data Provided		24	37.5	5.2
Responsiveness to Requests		16	25.0	3.4
Attitude toward Provider		12	18.8	2.6
Calls Not Returned		12	18.8	2.6

Professionalism	4	64	100.0	13.8
Honest Feedback		20	31.3	4.3
"Free" Service Requests		19	29.7	4.1
Misrepresented Authority		18	28.1	3.9
Confidentiality		5	7.8	1.1
Requested Personal Favors		2	3.1	.4
Communications	5	55	100.0	11.9
Timely Feedback		25	45.5	5.4
Client Availability		22	40.0	4.7
Update Frequency		4	7.3	.9
Interest in Progress		4	7.3	.9
Project Completion	6	53	100.0	11.4
Unrealistic Expectations		21	39.6	4.5
Number of Presentations		12	22.6	2.6
Rework Required		9	17.0	1.9
Appreciation		8	15.1	1.7
Presentation Audience		3	5.7	.6
Fees	7	39	100.0	8.4
Scope Change Adjustments		19	48.7	4.1
Arbitrary Reductions		10	25.6	2.2
Payment Delays		10	25.6	2.2

3.1 *The following ranking of the problem areas and the detailed problems is based on the total responses received to question 3.0.*

Problem Areas—Total Responses 464

Problem Areas	Ranking	Number of Responses	Percent of Total Responses
Selection Process	1	97	20.9
Proposal	2	92	19.8
Interface	3	64	13.8
Professionalism	4	64	13.8
Communications	5	55	11.9
Project Completion	6	53	11.4
Fees	7	39	8.4

Area	Detail Problem	Ranking	Number of Responses	Percent of Total Responses
Proposal	Poorly Defined Project Scope	1	36	7.8
Proposal	Unrealistic Timing	2	29	6.3
Selection Process	Timeliness of Decision	3	29	6.3
Communications	Timely Feedback	4	25	5.4
Interface	Quality of Data Provided	5	24	5.2
Selection Process	Decision Feedback	6	24	5.2
Communications	Client Availability	7	22	4.7
Project Completion	Unrealistic Expectations	8	21	4.5
Professionalism	Honest Feedback	9	20	4.3
Professionalism	"Free" Service Requests	10	19	4.1
Fees	Scope Change Adjustments	11	19	4.1
Professionalism	Misrepresented Authority	12	18	3.9
Selection Process	Misrepresented Authority	13	17	3.7
Proposal	Fee Justification	14	16	3.4

Interface	Responsiveness to Requests	15	16	3.4
Selection Process	Pre-awarded Request	16	14	3.0
Selection Process	Proposal Shopping	17	13	2.8
Interface	Calls Not Returned	18	12	2.6
Interface	Attitude toward Provider	19	12	2.6
Project Completion	Number of Presentations	20	12	2.6
Proposal	Vague End-product	21	10	2.2
Fees	Arbitrary Reductions	22	10	2.2
Fees	Payment Delays	23	10	2.2
Project Completion	Rework Required	24	9	1.9
Project Completion	Appreciation	25	8	1.7
Professionalism	Confidentiality	26	5	1.1
Communications	Update Frequency	27	4	.9
Communications	Interest in Progress	28	4	.9
Project Completion	Presentation Audience	29	3	.6
Professionalism	Requested Personal Favors	30	2	.4
Proposal	Format Requirement	31	1	.2

Notes

¹See Jaben (1992), p. 83.

²See Brophy (1991), p. 11.

³See Schuck (1991), p. 5.

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