



Sample Enterprise Transformation Program

Client: Real Estate services firm

Scope: identify, plan and execute \$190M+ transformation program

NOVEMBER 2022

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Agenda

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Project management

Sample program reporting

Program governance

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Project summary

Enterprise Transformation at global commercial real estate brokerage

We helped a client identify, plan and deliver a \$190M+ EBITDA cost transformation program in response to disruption introduced by the COVID-19 pandemic



Impact

Our client delivered \$190M+ in incremental EBITDA through execution of 60+ transformative initiatives. These initiatives included updates to compensation structure, shared service center delivery model and rationalization of a global real estate portfolio.

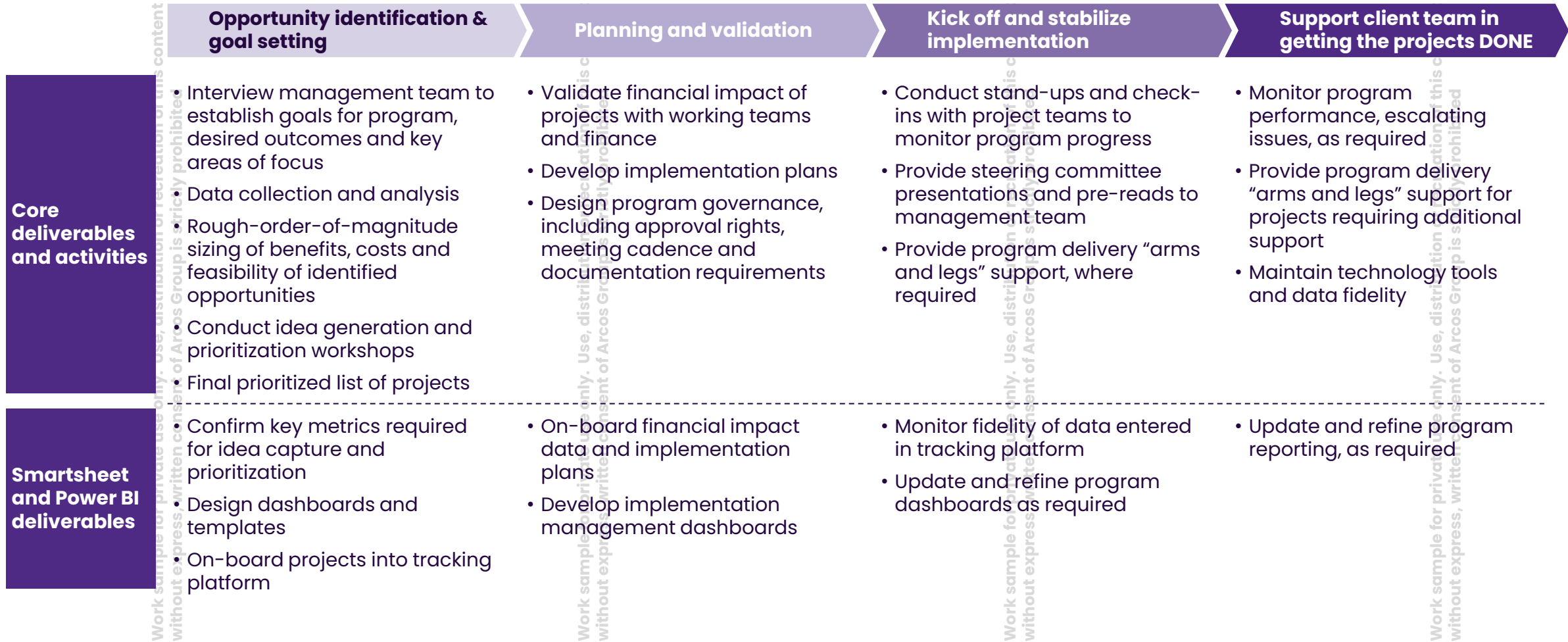
Context

Client operated in the real estate brokerage space with revenues exceeding \$5B. Unexpected disruption to business activity induced by COVID-19 created a need to accelerate transformation portfolio focused on cost.

Approach

Our team supported execution of a series of idea generation workshops to capture the best ideas within the organization. We then worked with the project teams to develop project plans and business cases with detailed financial impact phasing. We then developed a transformation management platform using Smartsheet and Power BI to manage the program, providing regular read outs to the CEO and CFO to monitor progress.

Project approach



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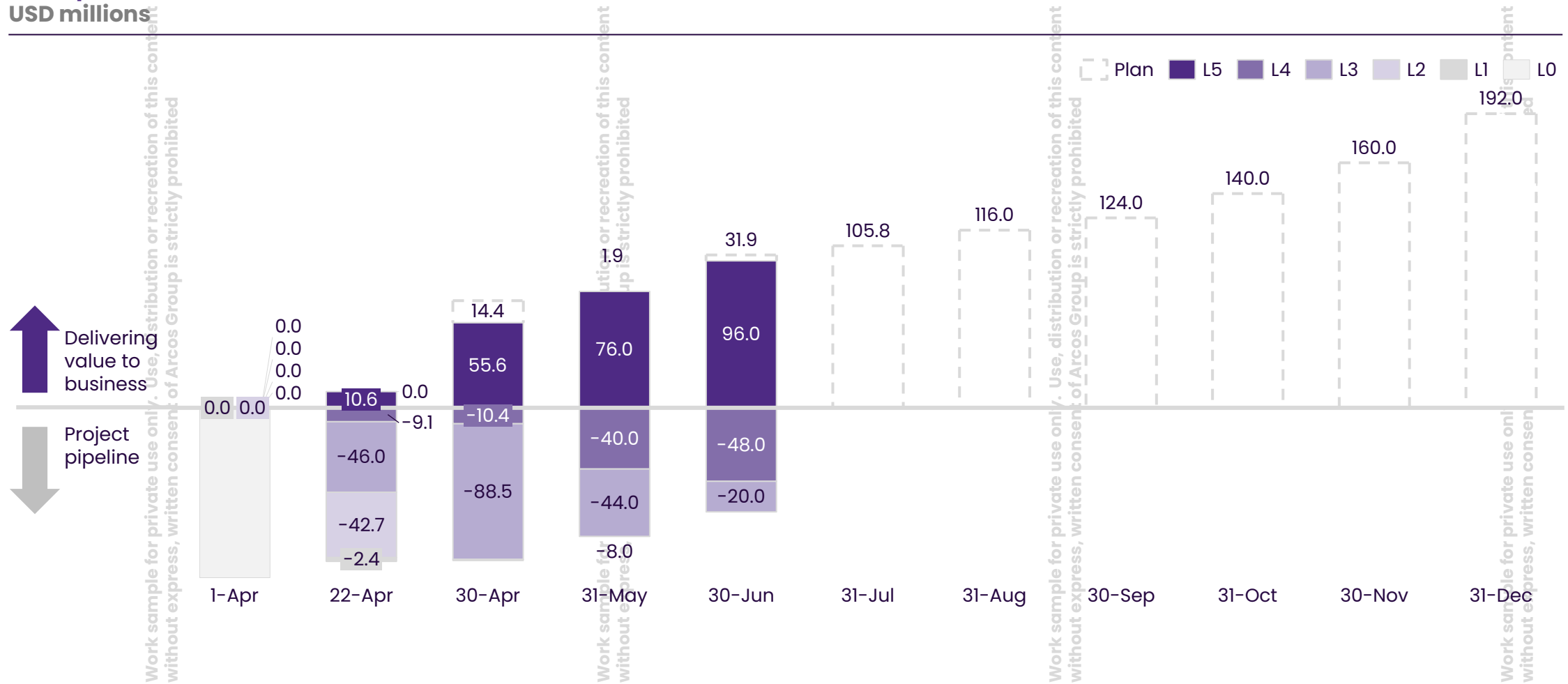
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During the opportunity identification phase, ideas were documented with estimates of financial benefits and implementation costs to inform prioritization

Recurring benefits USD thousands	Implementation costs USD thousands	Workstream	Owner
Initiative 1	100,485	SSC Pooling	Harpreet Patel
Initiative 2	26,571	Procurement	Kevin Johnson
Initiative 3	9,488	Real estate	Cliff Smith
Initiative 4	7,530	SSC Pooling	Cliff Smith
Initiative 5	6,020	Other G&A	Cliff Smith
Initiative 6	5,904	SSC Pooling	Cliff Smith
Initiative 7	5,864	Procurement	Cesar Ramirez
Initiative 8	5,802	Other G&A	Lisa Chong
Initiative 9	4,445	Other G&A	Steve Chambers
Initiative 10	3,651	Real estate	Cesar Ramirez
Initiative 11	3,621	Other G&A	Sean O'Leary
Initiative 12	3,348	Real estate	Sean O'Leary
Initiative 13	2,943	Real estate	Sean O'Leary
Initiative 14	2,917	Procurement	Steve Chambers
Initiative 15	2,891	Procurement	Pat Bertoncello
Initiative 16	1,000	Other G&A	Pat Bertoncello
Total	192,481		

Example program management dashboard: comparison of benefits to original plan

Anticipated 2022 free cash flow realization USD millions



Example program management dashboard: benefits and budget variance by workstream


USD thousands

	Count	Benefits			Implementation costs			Notes
		Planned	Actual	Variance	Planned	Actual	Variance	
Shared Service Centers	3	113.9	116.2	2.3	61.3	59.4	(1.8)	• ...
Procurement	3	35.3	31.8	(3.5)	6.3	6.9	0.6	
Marketing	3	12.3	12.5	0.1	3.9	3.9	(0.0)	
Other G&A	3	11.5	10.9	(0.6)	6.0	5.8	(0.1)	
Real Estate	3	9.9	9.4	(0.5)	6.3	6.0	(0.3)	
IT	1	9.5	9.5	0.0	4.9	4.9	0.0	
Total P&L impacts	16	\$192.5M	\$190.3M	(\$2.2M)	\$ 88.6M	\$ 87.0M	(\$1.6M)	
Capex deferrals	3	\$2.0M	\$2	\$0	NA	NA	NA	
Total cash	19	\$194.5M	\$192.3	(\$2.2M)	\$ 88.6M	\$ 87.0M	(\$1.6M)	

Example program management dashboard: project overview summary

	Owner	Initiative name	IL status	Run-rate impact ¹	Planned L4 date	Plan in place?	Timing status	Impact status	Comments
1	Harpreet Patel	Initiative 1	L2	\$100.5M	9/18/2019	✓	●	●	▪ ...
2	Kevin Johnson	Initiative 2	L2	\$26.6M	10/15/2019	✓	●	●	▪ ...
3	Cliff Smith	Initiative 3	L2	\$9.5M	10/1/2019	✓	●	●	▪ ...
4	Cliff Smith	Initiative 4	L2	\$65k	8/20/2019	✓	●	●	▪ ...
5	Cliff Smith	Initiative 5	L2	\$25k	9/15/2019	✓	●	●	▪ ...
6	Cliff Smith	Initiative 6	L2	\$30k lift	8/20/2019	✓	●	●	▪ ...
7	Cesar Ramirez	Initiative 1	L2	\$100.5M	9/18/2019	✓	●	●	▪ ...
8	Lisa Chong	Initiative 2	L2	\$26.6M	10/15/2019	✓	●	●	▪ ...
9	Steve Chambers	Initiative 3	L2	\$9.5M	10/1/2019	✓	●	●	▪ ...
10	Cesar Ramirez	Initiative 4	L2	\$65k	8/20/2019	✓	●	●	▪ ...
11	Sean O'Leary	Initiative 5	L2	\$25k	9/15/2019	✓	●	●	▪ ...
12	Sean O'Leary	Initiative 6	L2	\$30k lift	8/20/2019	✓	●	●	▪ ...

Example program management dashboard: Project update (entered via Smartsheet platform)



Improve OEE of baler from 60>70%

Project overview

Project ID: PROJ-03
 Workstream: Operations
 Work center: Scranton
 Wastes addressed:
 Initiative lead: Darryl Philbin
 Add'l support required:
 Executive sponsor: David Wallace
 Problem statement: Baler is currently underutilized. Problem is driven by unplanned maintenance, slow time to start for first shift and under-loading
 Goal: Increase Overall Equipment Effectiveness of baler from 60>70% through implementation of measures identified during diagnostic

Project health

L3
IL status

2021 financial health: ●

2022 financial health: ●

Schedule health: ●

18
Days ahead (behind) plan

Financial summary (USD thousands)

Metric	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Financial benefits							
Target	\$0	\$50,000	\$215,000	\$240,000	\$240,000	\$240,000	\$240,000
Actual + fcst benefits	\$0	\$15,450	\$175,100	\$252,000	\$254,400	\$250,400	\$242,400
Benefits variance (\$)	\$0	-\$34,550	-\$39,900	\$12,000	\$14,400	\$10,400	\$2,400
Benefits variance (%)	0%	-69%	-19%	5%	6%	4%	1%
Implementation costs							
Target	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Actual + fcst	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget variance (%)	0%	0%	0%	0%	0%	0%	0%

Executive update

Insert your update here

RAID Log

High Priority	Status	Type	Title	Assigned To	Date Raised	Due Date	Date Completed
🚩	Open	Placeholder	Enter short name here	Enter assignee here			

Project Plan

Task	Task Owner	Actual/Fcst Start Date	Actual/Fcst End Date	Status	Schedule Delta (days)	May 30							Jun 6							Jun 13							Jun 20						
						S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	
STANDARD WORK PLAN EXAMPLE		06/01/21	07/22/21		18d	[Gantt bar]																											
Value estimation (L1)		06/01/21	06/18/21		3d	[Gantt bar]																											
Approved Business Case	Placeholder	06/01/21	06/07/21	Not Started	3d	[Gantt bar]																											
PM Assigned	Placeholder	06/08/21	06/09/21	Not Started	3d	[Gantt bar]																											
Form Project Team	Placeholder	06/10/21	06/15/21	Not Started	3d	[Gantt bar]																											

Basic project information and executive update

Work plan compares current estimate to original baseline, creating schedule delta and automatic update to anticipated project completion

Red/Yellow/Green status automatically populates based on financial metrics and progress against work plan

Financial summary provides high level summary of project performance. Additional detail available via "click through." All data is entered into central database that can be analyzed in Power BI

RAID log captures decisions, risks and other actions identified during meetings

We use Power BI and Smartsheet to simplify management of complex transformation programs

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[Click here to learn more about how Arcos Group manages transformations](#)

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A combination of weekly and bi-weekly touchpoints will increase visibility of project progress while minimizing “process” burden of the PMO

Detail to follow

	Description	Attendees	Timing / frequency
<p>Weekly project owner stand up</p>	<ul style="list-style-type: none"> Project owners and Directors “stand up” to report on project status to VPs and request decisions/resources PMO-leader prepares VPs with objective perspective on program risk VPs provide guidance and direction on next steps in advance of Monthly Steering Committee 	<ul style="list-style-type: none"> Division VPs, Directors Project owners (PLMS) CTO, PMO leader 	60-90 minutes, bi-weekly (each division goes every other week)
<p>Bi-weekly steering committee</p>	<ul style="list-style-type: none"> VPs and directors present progress on projects to CEO, CMO, CFO Key decisions and resource needs are presented to Board for review Existing projects designated as “complete,” canceled or re-scoped as required 	<ul style="list-style-type: none"> CEO, CMO Division VPs, Directors VP-Transformation, PMO leader 	1 hour, bi-weekly
<p>Bi-weekly playbook meeting</p>	<ul style="list-style-type: none"> CEO, CMO, CFO, VP-Transformation provide update on progress against EBITDA objectives Projects to deliver EBITDA targets sustained, canceled or re-scoped 	<ul style="list-style-type: none"> CEO, CMO, CFO VP-Transformation Principal-portfolio operations 	

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Proposed meeting charter: Weekly project owner stand up

Meeting description, including intent

- **Company transformation update:** Directors provides high level progress update of broader transformation activities at Client
- **Packaging program update:** PMO leader reviews initiative overview update and reviews KPIs associated with packaging value program
- **Project stand up:** Initiative owners “stand up” for 5–10 minutes to review status and challenges facing individual projects. VPs inquire about status

Attendees

- Directors, Division VPs (as needed)
- Project owners (PLMs)
- PMO leader

Frequency and duration

- Bi-weekly
- 1 hour

Expectations for participant preparation

Item	Owner
▪ Company transformation update	▪ Directors
▪ Packaging program update and KPI dashboards	▪ PMO-leader
▪ Project charter update template: accomplishments, challenges and decisions/resource needs	▪ Project owners (PLMs)
▪ “Insider update” to VPs: and directors re: projects going well vs. falling behind	▪ PMO-leader

Agenda

Item	Owner
▪ Company level transformation update	▪ Directors, Div. VPs
▪ Packaging program update:	▪ PMO leader
▪ Project status review	▪ Project owners

Desired meeting outputs (deliverables)

Item	Owner
▪ Company status communicated to front line	▪ VP-Transformation, Div. VPs
▪ Key decisions made and resources allocated for strategic projects at Client	▪ VP-Transformation, Div. VPs
▪ Divisional VPs, VP-Transformation updated on status against packaging projects	▪ Project owners (PLMs)

Proposed meeting charter: Bi-weekly steering committee

Meeting description, including intent

- **Company update:** People updated on status of company as it relates to packaging
- **Transformation progress review:** Divisional VPs provide update on status against packaging value program
- **Project review:** Review progress against select initiatives, framing decisions or resource requests as needed for senior leadership team

Attendees

- CEO, CMO
- Division VPs, Directors (as needed)
- VP-Transformation, PMO leader

Frequency and duration

- Bi-weekly
- 1 hour

Expectations for participant preparation

Item	Owner
▪ Company update	▪ CEO, CMO
▪ Transformation impact summary	▪ PMO-leader
▪ Division level project update	▪ Division VPs

Agenda

Item	Owner
▪ Company update	▪ CEO, CMO
▪ Transformation progress review	▪ VP-Transformation
▪ Project status review	▪ Divisional VPs and directors

Desired meeting outputs (deliverables)

Item	Owner
▪ Business strategy communicated to front line	▪ CEO
▪ Key decisions made and resources allocated for strategic projects at Client	▪ CEO, CMO
▪ CEO, CMO informed about progress against value plan in efficient, structured way	▪ VP-Transformation, PMO leader

Introducing the recommended cadence would add structure to the program without imparting significant meeting load

Stand up SteerCo PlayBook Meeting prep

Client recurring meeting/task calendar – packaging value program				
Monday	Tuesday	Wednesday	Thursday	Friday
▪ ...	▪ Project update templates due (D1)	▪ Weekly stand up (D1)	▪ Bi-weekly steering committee	▪ ...
▪ ...	▪ Project update templates due (D2)	▪ Weekly stand up (D2)	▪ Playbook review	▪ ...
▪ ...	▪ Project update templates due (D1)	▪ Weekly stand up (D1)	▪ Bi-weekly steering committee	▪ ...
▪ ...	▪ Project update templates due (D2)	▪ Weekly stand up (D2)	▪ Playbook review	▪ ...

Total meeting load:

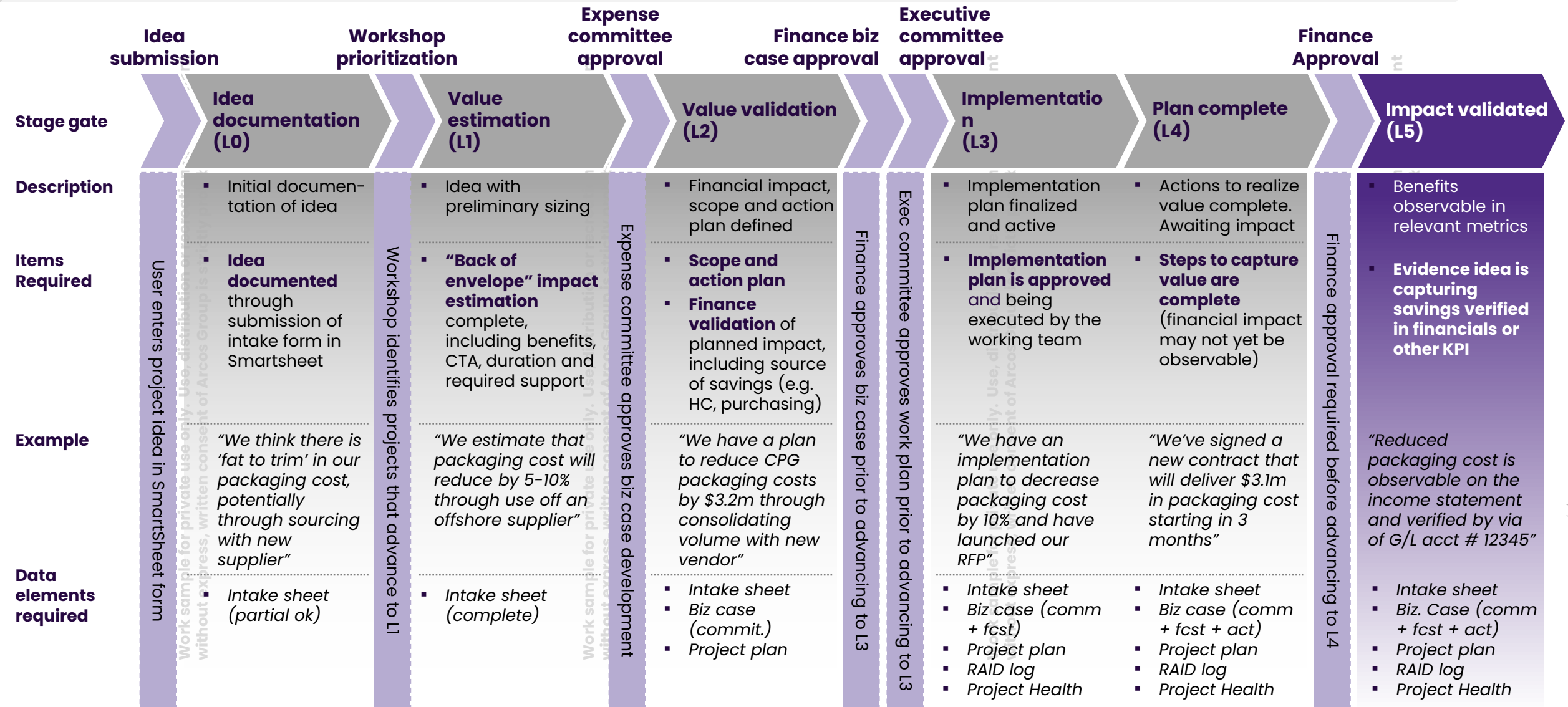
- **Product Managers:** 1 hour every other week
- **Directors:** 1 hour every other week + steering committee meetings as required
- **Divisional VPs:** 1 hour every other week + bi-weekly stand ups as required
- **CEO/CMO/VP-Transformation:** 1 hour every other week (on top of current Playbook review meetings)
- **PMO leader:** 1-2 hours each week

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Project governance overview:

L0-L5 project status is assigned based on standard requirements and approvals



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