Dow Chemical Company optimizes facility management worldwide

IBM TRIRIGA integrated workplace management system solution streamlines facility planning

The Dow Chemical Company is a USD60 billion enterprise composed of a worldwide network of 13 business units. Each operates their business autonomously, while receiving several core services from the centralized Dow Business Services Group that includes human resources, procurement, information technology, facilities management and more.

The path to integrated workplace management

Although such a decentralized business structure has competitive advantages, it can also create challenges to setting and achieving enterprise-wide goals. For instance, Dow needed to meet the differing facility needs of its various businesses while also increasing office and lab space capacity use to 90 percent and improving capital planning, real estate lease management, operations, maintenance and energy consumption on a global basis.

At Dow, the LOFM group plays the lead role in driving these initiatives. LOFM provides facilities management services and solutions that support more than 20 million square feet of lab and administrative office space worldwide. In this capacity, LOFM engaged IBM Business Partner Computerized Facility Integration, LLC (CFI) to deploy the facilities space management capabilities of IBM® TRIRIGA® to track office and lab space usage among Dow businesses.
Business benefits

- Provides a single source of truth for analyses of facilities worldwide, uncovering USD200 million in cost avoidance on one relocation project
- Transforms space usage and real estate management processes from reactive to proactive and planning-oriented
- Reduces report compilation time from days to hours
- Increases facility use by up to 20 percent, saving approximately USD4 million a year

Since the TRIRIGA facilities module was implemented in 2005, the narrow scope of the project began to broaden significantly. “We didn’t have capacity use or advanced project management capabilities in mind at the beginning; we were just trying to figure out how to charge different entities for the space they were using,” says Frank Kayden, director of Global Portfolio Planning and Real Estate for Dow. “But over the next couple of years, I was in touch with many different Dow organizations that needed support for forecasting, capital project management and overhead cost and maintenance process control. It became clear that an integrated workplace management system would be a critical enterprise-wide platform for improving operational, financial and environmental performance throughout our real estate and facilities portfolio.”

Transforming data into actionable intelligence

Reporting in all of these areas was manual, disconnected and spreadsheet-driven. “We were very reactionary,” says Kayden. “There wasn’t much in the way of any proactive planning, because no one had visibility into actionable information. It took an inordinate amount of time to compile the necessary reports, so we were limited in how much we could leverage data.”

Pointing to space usage reporting as an example, Kayden says an individual would physically have to walk through the building and record who was occupying which space. The surveying process could take weeks, and that information could be two or three months old by the time it got
to those who needed it. “Current information is critical to strategic facility planning as well as to my ability to proactively manage our real estate portfolio and lease contracts as our space needs fluctuate,” says Kayden.

With IBM TRIRIGA, LOFM not only increased accountability for space usage across all Dow businesses, but also identified opportunities for better facility use and occupancy management throughout a recent, major restructuring of those businesses.

“Having the data available in TRIRIGA allowed me to sit in a room during a weeklong lockdown and provide executive decision makers with up-to-date information, as opposed to having to spend several weeks collecting it,” recalls Kayden. The decisions stemming from such meetings, which are now based on current and reliable data, have allowed the company realize a 20 percent increase in facility use and a savings of approximately USD4 million annually via space consolidation.

**The expanding role of IBM TRIRIGA within Dow Chemical**

LOFM then engaged CFI to provide, configure and implement an expanded suite of IBM TRIRIGA software products as the foundation of an IWMS solution. By deploying IBM TRIRIGA Capital Projects Manager and IBM TRIRIGA Workplace Operations Manager software, LOFM is standardizing data management and business processes across capital projects and facility maintenance. It enables Dow to incorporate industry best practices and international data standards across its entire enterprise.
“We started with space management, but now we’re using a TRIRIGA IWMS tool to analyze large-scale capital projects to a greater degree. TRIRIGA Capital Projects Manager allows us to more easily plan three to five years forward, more accurately forecast comprehensive funding requirements and manage those projects much more effectively,” says Kayden. “And with TRIRIGA Workplace Operations Manager, we’re improving our building asset management with better asset-condition tracking and reporting and preventive maintenance planning.

As for the near future, LOFM has just implemented IBM TRIRIGA Real Estate Environmental Sustainability Manager module to analyze environmental performance of Dow facilities and reduce energy usage.

LOFM also has plans to implement IBM TRIRIGA Connector for Esri Geographic Information System software to connect IBM TRIRIGA applications with the company’s existing ArcGis geographic information and mapping software, from IBM Business Partner, Esri. Integration of the two software systems will help determine the best areas for expansion.

“IBM TRIRIGA software helps LOFM and stakeholders in virtually every functional area throughout Dow access a single source of current, reliable intelligence to better service our clients,” says Kayden. “We’re transforming how we plan and manage projects and costs, and we’re also achieving savings as a result.”
Making the Business Case for an IWMS solution

In 2005, the LOFM group at Dow engaged IBM Business Partner Computerized Facility Integration, LLC (CFI) to deploy a workplace management system as a tool to track space usage in Dow labs and administrative offices worldwide. A primary driver behind this project, Frank Kayden, director of Global Portfolio Planning and Real Estate, works with a team supporting 13 independent business units that operate within the company’s corporate structure, as well as a number of joint ventures and associated companies. He is championing deployment of an integrated workplace management system (IWMS) solution across these entities.

“The corporate services group, LOFM, was also expressing interest in workplace management systems for operational and maintenance needs,” says Kayden. “As we were working with each stakeholder, we realized we could go down the path with best-in-class solutions tailored to each business, or we could deploy an integrated suite of tools across the entire group.”

Kayden and CFI took key stakeholders to a product demonstration session, exposing them to the concept of the IWMS solution and the functionality of particular IWMS tools. “They were able to see the overall vision of IWMS, how it fit into their facility services and the efficiencies we’d gain by using one tool across the global organization.”

LOFM and CFI used the CFI LeveragePoint ROI™ tool to benchmark, establish performance metrics and develop an ROI analysis detailing the benefits of an IWMS. “We presented a solid business case for deploying IWMS for real estate, project management, maintenance and operations.”
For more information
To learn more about IBM TRIRIGA software, please contact your IBM marketing representative or IBM Business Partner, or visit the following website: ibm.com/smarterbuildings

Additionally, IBM Global Financing can help you acquire the software capabilities that your business needs in the most cost-effective and strategic way possible. We’ll partner with credit-qualified clients to customize a financing solution to suit your business and development goals, enable effective cash management, and improve your total cost of ownership. Fund your critical IT investment and propel your business forward with IBM Global Financing. For more information, visit: ibm.com/financing