

CBRE GLOBAL WORKSPACE SOLUTIONS RECEIVES THE 2023 MARKET LEADERSHIP AWARD

*Identified as best in class in the Asia-Pacific facility
management industry*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. CBRE Global Workplace Solutions excels in many of the criteria in the facility management space.

AWARD CRITERIA	
Growth Strategy Excellence	Technology Leverage
Implementation Excellence	Price/Performance Value
Brand Strength	Customer Purchase Experience
Product Quality	Customer Ownership Experience
Product Differentiation	Customer Service Experience

APAC Facility Management Market: Growth Drivers, Restraints, and Expectations

Frost & Sullivan’s independent research identifies that the growing outsourcing culture and continuous development of the asset base with new construction expand the penetrable Asia-Pacific (APAC) facility management (FM) market base. Customers’ requirements constantly evolve with the economy and industry environment, stimulating instability in FM demand. The COVID-19 pandemic severely affected the FM sector. However, it also resulted in the quickly rising need for hygiene and safety in facilities. Businesses now emphasize pandemic risk mitigation as a part of workplace management, ensuring the administration of proper protocols. Furthermore, the proliferating need for cost efficiency for select end-user sectors culminates in market opportunities. Energy efficiency trends, with increased improvements in building standards, are also contributing to the industry’s advancement. In APAC, measures (encouraged by regulatory support) such as going green, energy-efficient initiatives, and developing smart buildings are taking off, magnifying the value-added FM services’ demand. In APAC, most companies are becoming familiar with information technologies. Big Data and the Internet of Things (IoT) have enabled efficient FM through real-time monitoring and data analytics.¹

Irrespective of solid growth drivers, some factors restrict the industry’s expansion. For example, conservative end-users prefer in-house FM and perceive outsourcing as a risk to their control over the

¹ Asia-Pacific Facility Management (FM) Growth Opportunities (Frost & Sullivan, April 2022)

facilities' operations. These end-users also suspect outsourcing can reveal their businesses' weaknesses. In addition, the lack of human resources is a major challenge for service providers.

The reluctance to innovate, specifically in developing economies, engenders market stagnation. Customers vastly prefer single services and do not have productivity- and FM optimization-focused concerns. FM engagements usually entail an input-based approach, which reduces efficiency and the scope of higher technological implementations.²

Frost & Sullivan's research analysts discuss that regardless of challenges, the APAC FM market stays profitable for regional and global integrated FM providers because of high growth opportunities. Frost & Sullivan anticipates the market revenue to grow from \$85,664.9 million in 2021 to \$105,392.6 million by 2027 at a compound annual growth rate of 3.5%.³

Technology Integration Fuels Exceptional Client Benefits

CBRE Global Workplace Solutions (CBRE GWS) is CBRE's FM-focused business division that tackles customers' challenges in occupancy cost reduction, decarbonization, employee engagement, and post-pandemic workplace solutions. Leveraging data intelligence, innovation, integrated solutions, and strategic business engagement, CBRE GWS provides various client benefits: improved employee

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- Iqra Azam
Best Practices Research Analyst

experience, cost efficiencies, reduced risk, and tangible value across their portfolios. Its FM infrastructure serves numerous sectors: telecommunications, media and technology, financial and professional services, industrial and logistics, healthcare, energy and resources, life sciences, infrastructure, defense, public enterprise, and retail and multisite. Understanding that each industry and client has unique requirements, the company adopts an outcomes-centered approach and tailors solutions to meet and exceed clients' expectations, driving successful business results. Its cutting-edge capabilities ensure cost control, operational excellence, and stakeholder satisfaction. To further fortify its business infrastructure, the company

transformed its operating model to a sector-based approach, appointing sector presidents to oversee each industry sector and all accounts, growth strategy, sales, risk management, and service delivery. Enriched with local elements, this global approach increases CBRE's alignment with clients and fortifies its commercial real estate (CRE) industry position.

The company works closely with clients to augment their properties by revamping existing systems and initiating new value-focused methods, increasing consistency, cost reduction, and quality. Its business framework incorporates a robust environmental, social, and governance (ESG) approach and sustainable

² Ibid.

³ Ibid.

solutions, catalyzing positive outcomes for its people. CBRE GWS' unparalleled capabilities help it deliver excellent facilities management and project management, thus, galvanizing higher value for maximum financial impact. By prioritizing investments in people and technology, the company gathers unrivaled data, ensures accuracy, and offers actionable insights for complicated challenges. CBRE's built-to-last capabilities and steadfast commitment to capital and intellectual resources propel top-notch results of the highest caliber.

Technology Integration

In 2017, the company initiated its multi-year business transformation by placing digital at its core, recognizing that technology and data have a significant role in its clients' future. There are many industry areas in which CBRE prompts innovation through service delivery models, merging several functions into a single tool, user empowerment, increased productivity and longevity, minimized user effort and environmental impact, cost savings, enhanced user experience, and decreased manual work through automation.

Driven by its cutting-edge offerings, CBRE is uniquely equipped to help its clients attain greater self and long-term value creation. The company's solutions also enable clients to magnify operational efficiency, make productive investments, promptly implement sustainability, and foster better employee experiences. CBRE remains a vanguard of technological innovation and revolutionizes its capabilities to help its clients through digital transformation. It pioneers leading-edge solutions for clients at a pace and scale that other market players cannot easily duplicate. CBRE has over 100 agile teams driving product innovation.⁴

The company accentuates data at scale and enterprise-grade technology as parts of its innovation strategy. CBRE offers the most comprehensive data across the CRE landscape and connects different data sets for maximum data hygiene, quality, and accessibility. The company then analyzes the data by combining human real estate knowledge with artificial intelligence (AI) and data science capabilities, including machine learning (ML), cognitive and scenario modeling, natural language processing (NLP), predictive analytics, and robotic process automation.

As a part of its commitment to innovation, the company collaborates with first-adopter clients to augment its offerings. CBRE is modernizing its Vantage product suite to integrate user interface and user experience technologies and cloud capabilities. It is currently piloting over 20 AI programs:⁵

- The company is working on a pilot integrating **assisted intelligence to help people perform tasks faster**. This program will make completing work orders more efficient via NLP and image classification and support users with chat and submit pictures features for equipment requiring maintenance. The company uses ML to recognize and categorize output.
- CBRE **automates intelligence to reduce manual tasks**. It introduced NLP to automate manual tasks in lease administration to help the workforce concentrate on knowledge-centered work.

⁴ Frost & Sullivan's Interview with CBRE GWS

⁵ Ibid.

- The company maximized **augmented intelligence to help make better decisions**. It created a data center team to perform predictive maintenance analytics and enhance the client's facility.
- CBRE uses **augmented reality to increase reliability**. The company created data center digital twins and linked them to sensor data to magnify operational efficiency.

Moreover, CBRE GWS has a "Digital FM" initiative (underway) to pilot new technology-powered FM procedures. The company ran a client pilot and algorithm to adjust technician schedules and routes, minimizing full-time equivalents while maintaining top-level service level agreements.

The company's portfolio also entails CBRE Host, its proprietary, state-of-the-art solution suitable for office environments and campuses. Host employs ML to change how employees utilize technology to interact personally with their spaces. CBRE has augmented its solution with a new return-to-work feature in its acclaimed Host app, a technology platform that facilitates clients with simple access to services in their

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workplace. The new feature has been particularly valuable for companies with hybrid workplaces. Harnessing this feature, clients can set occupancy restrictions and introduce health questions for staff before returning to the facility or building. CBRE released the feature to existing clients and accomplished positive reviews.

Frost & Sullivan acknowledges that CBRE GWS' transformative journey and technological integrations have positioned it as a market leader, galvanizing higher success and value for clients. It empowers clients with magnified operational efficiency, sustainable practices, and outstanding employee experiences. With advanced

capabilities and an unmatched focus on innovation, CBRE GWS remains a trusted partner in the FM space.

Energy and Sustainability Products, Innovations, and Services

Energy and sustainability (E&S) are at the core of CBRE GWS' FM services. In 2022, the company implemented various new E&S capabilities. For example, to harmonize with global and regional ESG and E&S goals, CBRE's experts can conduct strategic decarbonization to help clients with their net zero commitments. The company has also ventured into smart FM and buildings. With its in-house Nexus smart building platform and other IoT technologies, the company can design, deploy, manage, and support integrated, performance-building automation solutions for all types of facilities. It further differentiates its IoT solutions from competitors with broader applicability.

CBRE's cutting-edge technology is building management systems agonistic and can integrate with different existing systems, highlighting the versatility of the company's portfolio. The company also emphasizes renewable energy applications and has various partnerships in APAC to support clients' RE100 targets through numerous renewable energy implementation options.

The company takes its FM offerings to the next level with its in-house electric vehicle (EV) team, deploying EV charging (EVC) infrastructure solutions across APAC and contributing to the clients' decarbonization

practices. It also partners with various EVC system providers, another factor that differentiates it from its competition.

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Skyrocketing to the Top

CBRE has a solid financial record that boosts its competitive edge and empowers business investments that directly generate client value. With this approach, CBRE Global Workplace Solutions realizes steady growth yearly, consistently tracking its revenue at 50% higher than the company's nearest competitors. In APAC, CBRE is present in 20 countries, with over 28,000+ employees operating through 90+ offices. The APAC Global Workplace Solutions team manages over 1.4 BSF for 430+ clients. CBRE employs a capital allocation strategy and stays ahead of the curve in business, securing long-term growth at a higher pace than all its major competitors combined. CBRE's approach to technology investment has always been grounded in business strategy. From its investment in one of the earliest real estate technology venture funds to strategic acquisitions to significant investment in real estate technology companies over the past 24 months to build its custom solutions, CBRE focuses on providing differentiated services to clients.

CBRE makes strategic investments to change the industry and recruit experts into its model to deliver success. It works collaboratively with a team of trusted partners to meet shared goals and create mutual benefits for clients. CBRE's one-team approach is seamless and integrated, knitted together with shared incentives, communications, and common branding to enhance technology offerings, fill strategic gaps, and strengthen global business lines. CBRE's strategic acquisitions include Turner & Townsend, Altus Power, FacilitySource, Norland, Johnson Controls GWS, and Advanced Property Solutions (APS), the Maintain division of BSA Limited (ASX Listed trade services business) in Australia. CBRE also ventures into strategic partnerships (Kahua and Fifth Wall) to amplify its excellence, quality, and superiority.

Frost & Sullivan opines that CBRE GWS' impressive growth momentum and trajectory testify to its customer-centricity, revolutionary technology, and brilliant operational strategies alongside investments. The company acquires its clients' loyalty through solid collaborations, enabling it to capture market share.

Unmatched Product Quality and Differentiation

CBRE GWS' self-delivering capability is among its core strengths and sets it apart from competitors. Among other FM providers with a similar market background, CBRE is the only one that has been self-delivering most of its services from the beginning. The company further strengthens its market leader status by accentuating product quality. As a part of its growth and competitive differentiation strategies, the company integrates productization into its business framework; thus, it has ready-made solutions for its delivery teams instead of starting from scratch every time. Through productization, CBRE maintains processes, playbooks, training, tools, and technologies that its experts can explain well, price accurately, execute correctly, and operate effectively. CBRE GWS' product team has specific priorities for 2023, mainly emphasizing Smart FM Solutions and sustainability insights product offerings.

Smart FM Solutions: Virtual Maintenance, Automated Maintenance, and Dynamic Services

CBRE GWS understands the significance of smart FM capabilities regarding efficiency and reliability. Its Smart FM Solutions empower clients to shift from “manual and reactive to automated and proactive FM through a scalable, tech-enabled approach that benefits [their] entire portfolio.”⁶ The company’s new cutting-edge offering combines all CBRE GWS FM services into one unmatched comprehensive solution. Virtual maintenance catalyzes a 5% to 20% reduction in maintenance costs and a 25% reduction in technician dispatches. Automated maintenance leads to an informed FM team that can optimize maintenance activities, leading to a 10% to 20% FM cost reduction through team efficiencies and increased asset reliability and uptime. Through dynamic services, clients can leverage improved space cleaning, lowered cleaning costs by up to 10% to 20%, reduced item (such as soap and paper towels) outages, minimized restroom consumables waste, and better client satisfaction scores.⁷

In addition, Smart FM Solutions minimize carbon footprint and costs with connected building automation, IoT, and data analytics. The company also enhances the Nexus proprietary cloud platform, the technology that supports CBRE GWS’ Smart FM Solutions. This platform combines multiple data sources to generate actions and insights through a single-pane-of-glass experience. Moreover, the company is expanding its ecosystem with technology partners, which helps CBRE GWS enable its clients with early access to advanced property technology through its Smart FM Solutions.

Frost & Sullivan’s research indicates that CBRE GWS sustains its market leadership through unmatched product quality and solutions that boost clients’ experience. Its game-changing Smart FM Solutions exemplify the company’s focus on constant innovation.

Conclusion

A company does not become a market leader overnight and requires a commitment to build growth strategies alongside exceptional implementation. A market leader must earn and sustain clients’ trust and contribute to the industry’s advancement. CBRE Global Workplace Solutions (CBRE GWS) represents Frost & Sullivan’s definition of a market leader by addressing clients’ unmet and evolving facility management needs, designing innovation-led solutions, and delivering unmatched client benefits. The company’s cutting-edge facility management (FM) solutions empower clients in numerous sectors. Implementing an outcome-centered approach, CBRE GWS customizes solutions to meet and exceed clients’ expectations, catalyzing successful business results. Accentuating a technologically powered strategy, the company pioneers leading-edge offerings (such as Smart FM Solutions) for clients at a pace and scale that other market players cannot easily duplicate. Due to these reasons, the company is respected, recognized, and remembered, elevating it to a market leader position.

With its strong overall performance, CBRE Global Workplace Solutions earns Frost & Sullivan’s 2023 Asia-Pacific Market Leadership Award in the facility management industry.

⁶ <https://www.cbre.com/services/manage-properties-and-portfolios/facilities-management/smart-fm-solutions>

⁷ Ibid.

What You Need to Know about the Market Leadership Recognition

Frost & Sullivan's Market Leadership Award recognizes the company that achieved the greatest market share resulting from outstanding performance, products, and services.

Best Practices Award Analysis

For the Market Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Growth Strategy Excellence: Company demonstrates an ability to consistently identify, prioritize, and pursue emerging growth opportunities

Implementation Excellence: Company processes support efficient and consistent implementation of tactics designed to support the strategy

Brand Strength: Company is respected, recognized, and remembered

Product Quality: Products or services receive high marks for performance, functionality, and reliability at every stage of the life cycle

Product Differentiation: Products or services carve out a market niche based on price, quality, or uniqueness (or some combination of the three) that other companies cannot easily replicate

Technology Leverage: Company is committed to incorporating leading-edge technologies into product offerings to enhance product performance and value

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and of high quality

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

