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Introduction

The public sector is using more up to date technology and is paying less for its property systems than equivalents in the private sector – so why do we hear so many complaints about property technology?

Earlier this year, ACES and Remit Consulting sent out a questionnaire to investigate Public Sector organisations' satisfaction with the systems they use to manage their property assets.

Given the ever increasing demands for efficiency and cost savings, having the right technology is a key factor for many in helping drive change, working more effectively, better managing assets, and being able to report consistently to measure outcomes.

The survey attracted a good deal of interest – 49 organisations responded – indicating the perceived importance of systems to effectively manage property, and the desire for a better understanding of the extent to which this is being achieved.

This article summarises the results from the responses. It complements the similar survey we ran in 2014 for private sector organisations which we reported in the last edition of The Terrier.

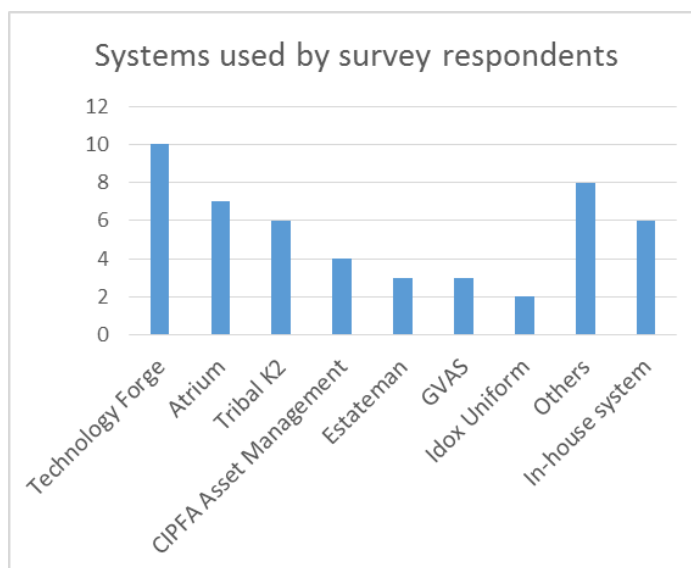
The survey sample

In order to understand the satisfaction with systems in context, let's look first of all at the systems that respondents are using, the system age profile and the annual spend on those systems.

Which systems

As expected most organisations who responded are using systems specifically developed for the public sector. There are clearly some market leaders which most readers will be familiar with – some have been around for many years through many different versions! Overall, this is a very different set of systems than those used by private sector property companies and property managers – confirming the specialist nature of some aspects of public sector property asset management.

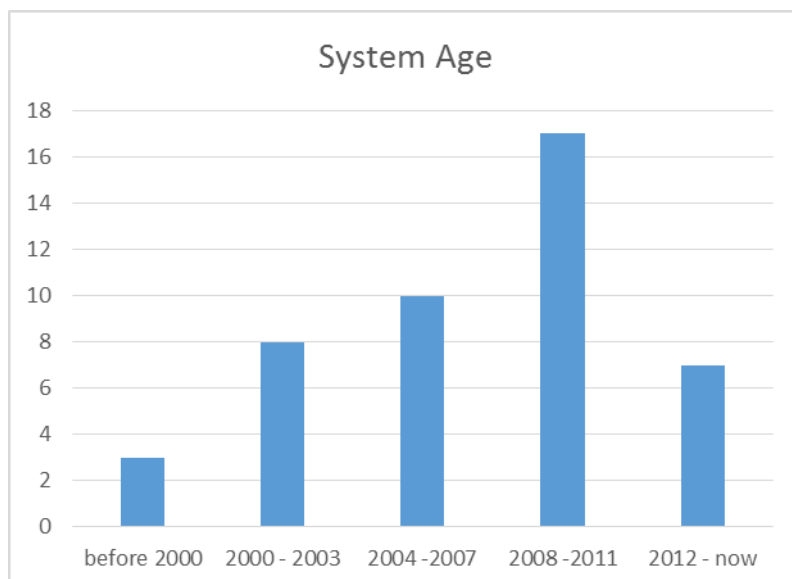
The "Others" category includes a slightly more varied set of solutions used by only a single respondent in each case – systems from Concerto, Aligned Assets, MASS, ESRI, Oakleaf and Raindrop.



Finally, six respondents use in-house developed systems. Most of these bespoke systems were implemented 10 to 15 years ago. This is seemingly because the package systems at that time were much less mature than they are now and did not include all the functionality required. In addition, the software suppliers would not have been able to develop what was required as fast as some in-house development teams.

Which neatly brings us on to the age of the systems used across the survey sample.

System Age



The majority of the systems have been implemented (or significantly upgraded) in the last 10 years or so. Only a small minority have systems older than 15 years, with a couple dating back to 1990 or earlier!

The results show a flurry of activity especially between 2008 and 2011. This contrasts sharply with a dip in system implementation activity we found in the private sector because of the downturn in the economy. One theory is that public sector authorities at the time really started to view

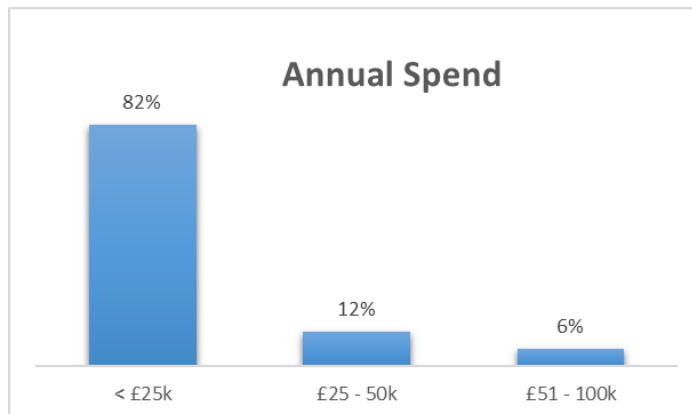
technology as a tool to help drive through structural changes and longer term savings.

We note also that most of the recent implementations reported by the respondents are of the more popular systems with only one or two breaking away from the mainstream suppliers.

Annual system spend

Some of the survey respondents declined to tell us how much they are spending on property systems. Of those who did, 28 spend less than £25k per annum, with only 4 spending £25 to 50k, and 2 spending £50 to 100k.

Even though we asked for both user numbers and annual spend as ranges in the survey, we see that there is a good correlation between these measures, and we have calculated an estimated average annual cost per user of around £1,500.



This is slightly lower than the average cost per user of private sector corporate occupiers we have seen in our previous surveys.

Type of Private Sector organisation	Average annual spend per user
Property Manager	Between £1k and £3k
Corporate Occupier	Between £2k and £4k
Investor	Between £3k and £8k

Public Sector average
£1,500

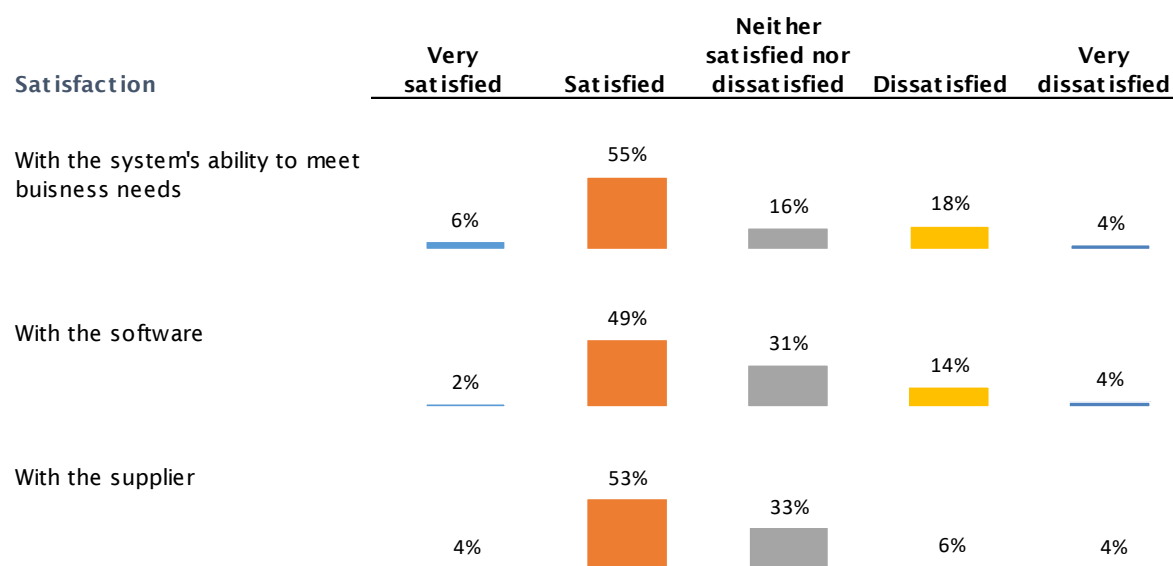
Perhaps this is because the public sector system suppliers are more competitively priced than those in the private sector – after all they have a smaller target market. Secondly we suspect that the

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public sector software is well-aligned to the needs of the potential clients, and therefore requires less customisation and additional knock-on maintenance costs.

Satisfaction with systems and suppliers

And so to the focus of our survey – organisations' satisfaction with both their main system to manage property assets, and with their software supplier.



Generally the results indicate that satisfaction with systems and suppliers is high. We have said before that we would not expect this from our anecdotal evidence and experience with user organisations, but it's probably because they mainly tend to contact us when they have problems. The profile of results compare quite closely with those from our private sector survey, although dissatisfaction with systems in the public sector is greater.

Systems

When we dig into the data further, we note that the most dissatisfaction with the way systems support the business needs and the abilities of the software itself come from those organisations that are either using ageing software or only have a small number of users. This stems from a number of factors:

- Original software suppliers no longer existing and unable to properly support the systems;
- Use of software that is not developed for the public sector;
- Lack of funds available for investment in new systems.

Without singling the praises of any one supplier, larger organisations who have had the money to invest in the more sophisticated mainstream public sector software suppliers do seem to be most satisfied.

Interestingly, satisfaction amongst those organisations with bespoke in-house systems is mixed, some satisfied, but other dissatisfied – presumably where the system is no longer being developed or is using old technology that is not outdated (e.g. lack of mobile access).

Suppliers

The satisfaction with suppliers mirrors our private sector survey, and therefore we do not hold back from repeating that organisations need good service from their software supplier as well as functional, robust software. This service includes:

- Being able to provide the right amount of experienced staff when required by the user organisation;
- Taking financial responsibility for developing their product and acting quickly on known issues and problems before they affect the customer;
- Being open and honest with their customers;
- Being responsive to customers' enquiries and delivering solutions on time.

Conclusions...

Actually, the public sector software suppliers are doing a pretty good job in meeting the needs of their market.

Having said that, some individual organisations clearly do not have the right solutions. The question is where they find the money to invest when there is so much pressure to manage costs? This will be particularly difficult for the smaller local authorities and other organisations.

We don't have a magic answer, but a couple of thoughts:

1. The trend these days is for systems to be procured on a monthly fee basis, depending on numbers of users and usage, instead of a significant up-front capital investment. Most of the mainstream software suppliers will be keen to help organisations invest in this way.
2. The initiatives in local government, health and policing to share resources to manage property estates should offer some opportunity. Of course these initiatives are not without problems. Neil Webster's article on collaboration in the Spring 2014 edition of The Terrier described the difficulties that often cause these initiatives to run out of steam. However, the justification for investing in systems will be the enablement of more efficient structures across authorities / estates and savings in the long run. There are examples already where neighbouring authorities are sharing systems as part of an overall service to manage and report across their estates, overcoming key questions that have caused others to falter such as, 'Who takes responsibility for owning and managing the shared systems?'
3. Authorities are reviewing the way they are managing and procuring IT generally in order to realise further cost savings – property teams should “piggy back” on these initiatives wherever possible.

So, why so many complaints about property technology? This is clearly not a technology problem. The sector needs to look at how their tech is implemented and what they really need. If this can be addressed we will see some big gains in efficiency.

Footnote:

We would like to thank all those who responded to the survey earlier this year.

If respondents are willing, we would like to make contact to find out a bit more why you answered as you did so that we can shed some more light on the results and provide some additional analysis and comment.

About Remit Consulting

Remit Consulting is a specialist management consultancy that advises private and public sector property organisations and teams about technology, business improvement and compliance.

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