

CASE STUDY



HSBC
LABORPLAN™



Quick Facts

- 23 North American call centers
- Analyzed top 13 locations
- Expected occupancy cost and footprint reduction of 35%-40% by 2010
- \$55million annual savings potential

Analysis to Date

Longevity: 15 Locations
Market Assessments: 4 locations
Cost Comparison Consulting

Services

- LaborPlan™
- Cost Comparison
- Portfolio Optimization
- Market Assessment

CBRE Contact:

Jim Trobaugh
Senior Vice President
Labor Analytics Group
T 602.735.5599
F 602.735.5762
jim.trobaugh@cbre.com

CHALLENGE

- **Portfolio Strategy: Migration Planning and Optimization**

With 23 call centers across North America, HSBC was looking to optimize its current portfolio by migrating to five core centers in an effort to minimize operational costs while enhancing performance. Challenges in building consensus across several business lines, along with local priorities and perceptions of operations tended to dominate strategy discussions, resulting in fragmented conversations with no master plan.

SOLUTION

CBRE's Labor Analytics Group evaluated the cost, quality, availability, longevity and competitive presence of human capital across HSBC's priority locations to provide neutral and objective analytics for formulation of a five-year migration plan. The evaluation was completed in two main phases:

Phase I – Evaluate 13 HSBC markets for longevity, quality and sustainability of labor market, including cost comparison across locations to achieve similar quality labor force

Phase II - Market assessment of top identified markets to assess primary competition, competitive wages, and local employer interviews

RESULTS

Through LAG's LaborPlan™ analysis, LAG demonstrated a premium between HSBC's highest and lowest cost locations for labor of nearly 15% of their current payroll, or \$55 million, annually. By identifying and validating several locations with a sustainable, high quality/low-cost labor pool for expansion markets, HSBC was able to reduce its operational footprint, decreasing cost, while enhancing the value derived from the facilities and locations. HSBC expects to reduce footprint and occupancy cost by 35% to 40%, by 2010.

CLIENT TESTIMONIAL:

CBRE's Labor Analytics Group brought objectivity to a difficult discussion around call center consolidation. Acknowledging both the depth of research and precision in modeling, business leaders were able to test the impact of different variables. This engagement in real-time alternatives enabled faster and more confident decisions designed to improve performance and bottom line results."

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Alan R. Drake, Senior Vice President, Workplace Strategy & Financial Operations Corporate Real Estate
HSBC North America

