

## Client Case Study: Blue Cross Blue Shield

Improving Efficiency and Reducing Facilities Costs



### Company Profile

Blue Cross Blue Shield of Rhode Island (BCBSRI) is Rhode Island's largest locally based, non-profit health plan, with a commercial market share of 70 percent in the state. In 2003, BCBSRI processed over \$1.7 billion in health insurance claims for more than 670,000 members from over 13,000 companies.

Founded in 1939, this managed health care provider operates as one of 41 independent licensees of the Blue Cross and Blue Shield Association across the United States. BCBSRI is dedicated to improving health care for its members, strengthening relations with providers and simplifying its business processes and ranks consistently among the top Blue Cross chapters for achieving performance goals set by the Association. The company spends \$9 million a year managing real estate, facilities and operation for 1,200 employees who work in 400,000 square feet in six downtown Providence, RI buildings.

### Business Challenge

Like many health care providers, Blue Cross Blue Shield of Rhode Island strives to balance its need for operational efficiency with its mission to deliver the strongest care and most effective health and wellness plans to Rhode Islanders. With this focus, the company was seeking a technology solution to streamline the way it manages real estate, facilities and operations, to replace an existing computer-aided facilities management (CAFM) product. Floor plans and information were out of date. Facility managers would physically have to walk the floors to get an accurate picture of space utilization. Real estate executives had no way to build reports for senior corporate management.

"CenterStone measurably improves facilities and financial performance."

Donald Silva, Sr. Systems Analyst,  
Blue Cross Blue Shield of Rhode Island



CenterStone's Digital Dashboard provides a configurable strategic view of key real estate, facilities, and occupancy data for accurate, real-time reporting and compliance.

Blue Cross needed a centralized view of its people, spaces and assets so that it could better understand, manage and support its facilities, employees, operations and real estate costs. Without this information, the company lacked the insight it needed to make decisions on utilization, expansion, consolidation and new locations.

"It was difficult to use and obtain information," said Tom Bovis, Assistant Vice President of Engineering and Administrative Services for BCBSRI. "We need this information because second to personnel costs, our largest expense is facilities and our needs are growing. We need to understand utilization, availability, where we can consolidate and how we can meet our future needs."

## Selecting CenterStone

After evaluating a number of CAFM and workplace management software products, Blue Cross selected Manhattan Software's integrated CenterStone solution. The company required a fully Web-based solution that was easily accessible by BCBSRI employees and multiple outside partners who provide space management, building operations and other services to Blue Cross and its employees.

"The team from CenterStone was very knowledgeable and supportive during the evaluation process, said Don Silva, Senior Systems Analyst for BCBSRI. "We needed to see that the system could do the things that they said it could do. The CenterStone team helped build confidence in the decision making process by not only telling us the system could perform but also showing us immediately how".

Although there were other "Web-enabled" alternatives, only CenterStone provided a true on-demand solution that ensured BCBS would always have the most up-to-date features and not have to worry about hardware, software and maintenance. CenterStone also demonstrated that it was the easiest to use and most configurable solution on the market, with the ability to integrate seamlessly with HR, finance and security systems within IT operations that are managed externally by Perot Systems.

## Controlling Costs, Increasing Efficiency

"It's extremely user friendly. Other systems were very, very difficult to use," Bovis said. "The advantage of having a system like CenterStone is that you can track vacancies and leases and standardize office space and projects. The information you can get out of CenterStone is just incredible. It's a tool that we use to control our expenses and work more efficiently."

Bovis estimates that CenterStone has enabled Blue Cross to save over 5% in overall facilities costs and dramatically reduce the cost of employee moves. The total savings are between \$500,000 and \$1 million on a \$9 million real estate and facilities budget.

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## Business Results with CenterStone

Before CenterStone, Blue Cross Blue Shield of Rhode Island had limited ability to track and manage costs associated with facilities. CenterStone provides real-time answers to building questions and enables the company to spend its time and energy analyzing and executing instead of trying to find data. How does that translate into day-to-day business execution?

- Facilities managers can track, in real time, metrics like square footage by department, available space in buildings, vacant workspaces, service coverage, locations of employees, assets and safety equipment.
- The architects who work with Blue Cross to design and allocate space have access to visual tools that make it easier for them to do their jobs.
- BCBSRI averages a 45 percent churn rate (ratio of employee moves) annually. Every employee move that requires new equipment, construction or space configuration costs between \$8,000 and \$9,000. By using CenterStone to allocate space more efficiently and find appropriate cubicles, the company has minimized churn and reduced the cost of most employee moves to \$250 or less.
- Senior management can access dashboards and reports on space, budgeting and operations to measure and benchmark BCBSRI against other Blue Cross chapters and International Facility Management Association (IFMA) standards.
- A Web-based system with real-time information that can be accessed anywhere, any time, speeds up the company's disaster recovery and business resumption processes.
- The company is able to accomplish the same or more work with one fewer full-time employee.