Application for FMXcellence

Name: John J. Zurinskas

Title: Vice President and Group Regional Manager - PNC Realty Services

Company: PNC Financial Services Group, Inc.

Please provide an overview of one completed FM project/initiative or ongoing FM practice/program that supports the goals of the larger organization. Projects must be completed to be considered. (Limit responses to no more than 2,000 words.)

Project Objective: In the latter part of 2008, the acquisition of National City Corporation (NCC) by The PNC Financial Services Group (PNC), was made official. Bringing National City into the PNC family represented a doubling of the PNC footprint, and an unprecedented level of conversion activity, including the manufacture and installation of over 26,000 new signs covering approximately 1,640 branches, ATMs, and office/administrative facilities, over nine states. The project had a value of over $50,000,000. John J Zurinskas, Vice President and Group Regional manager of PNC Realty Services was tasked with managing the program, and it became obvious early in the project that the key to the success of this project was to create a multi-team task force made of PNC Realty Services staff (all in house personnel), and National City's Facilities Management team members which were a combination of in-house management and a National outside facilities management firm. Because of the enormous size of the conversion project, it was deemed necessary to unfold the actual conversion in four (4) separate, but concurrently staggered, phases or waves, with each wave handling approximately 400 sites. Taking approximately 76 weeks from kickoff to completion of the last wave in June 2010, the sign conversion would receive a high level of attention throughout the Bank and visibility of the public throughout nine states. Obviously this required the most experienced sign vendors to accomplish.

Procurement of Resources: To help in the selection of the vendors, John involved PNC's Strategic Sourcing group for additional analysis and support. John had already engaged Monigle Associates, a nationally recognized sign consulting company based out of Denver, CO., to provide specific expertise as well as to assist in managing the day to day tactical project rollout. Over 100 sign manufacturers/installers contacted PNC/NCC soon after the bank acquisition was announced. Some of the suppliers included existing customer relationships or were incumbent providers already working for both companies. Focus on specific manufacturing capabilities as well as past experience abilities in the sign conversion of large banks, was a part of the team evaluation. Other important factors included in the analysis were: MWDBE (Minority, Women-Owned or Disadvantaged Business Entity) status, financial strength, and production/installation capabilities. The result of the 16 week evaluation process was the selection of 10 national suppliers for all of the sign manufacture and installation, as well as two ATM surround manufacturers and six ATM rigging companies. This does not include the hundreds of subcontractors who were utilized on the local level.

Project Approval Process: Although the vendor network was set up, it was a monumental task to even get to the point where sites would be released to the manufacturer. Although PNC's standard family of signs had been previously established, adjustments were made to increase energy efficiency and branding needs, which was accomplished between January and February, 2009 (see Exhibit C). Once the sign family was establish, control documents for bid and manufacture had to be created. Also an analytical tool was created by reviewing bank samples to determine the best branding solutions for the wide variety of facilities within the footprint. While all of that was taking place, all 1600+ sites had to be field surveyed for existing signage and ATM measurements. The surveys, field data, photos, and municipal code information was gathered from January through July of 2009. During this process' peak, site sign survey levels hit over 100 sites per week. As soon as the first group of surveys became available, the Monigle team created the new design morphs and recommendation packages for each site (see Exhibit F). Upon completion of the sign recommendation packages, the new branding had to be reviewed, sign by sign, and approved by a select team of PNC Realty Services and PNC ATM Management (see Exhibit E). The design recommendation reviews averaged 50-60 per week.

Once approved by the Sign Conversion Team, all of the sign recommendation packages were submitted in batches of sites for each Retail Market and personally delivered and shared with the individual Retail Market Managers for their final review and suggestions. Once the branding was approved, sign packages for leased sites were sent by the PNC Leasing Group to landlords for their review and approval. Almost all leased facilities required landlord approval. Some high visibility sites, like high rise office buildings, had to undergo several rounds of review and negotiations that sometimes extended beyond signage. The permitting process ranged from a simple over the counter transaction to much more extensive preparation such as architectural review boards, zoning review, and complex variance process hearings. The sign vendors were responsible to obtain permits but Realty Services Managers, Property Administrators and even Retail Branch Managers assisted as a team with hearings if “local representation” was required.

All of these processes occurred for each Phase concurrently; cascading each of the sites into final release for fabrication. To minimize excess inventory, PNC decided that there would be no blanket orders released and product was manufactured purely on an “as needed” basis. The volume of sites in the program allowed for this method to be successful but it only worked because the entire Sign Team pushed for each brand, landlord and permit approval vigorously to keep the project and product flowing. (see Exhibit H)

Project Implementation Process: All of the sites were scheduled (see Exhibit D) and tracked by projected weekly installation start and completion dates through Monigle's proprietary web-based database SignCHART®. Once the sign permit for a site was obtained, the manufacturer had one week to enter the install date into SignCHART®. The Sign Team met with each manufacturer on a weekly basis and reviewed the progress and status of each site once released. If a vendor fell behind, daily meetings would be held to track commitments until they were brought back on track. As each site was completed, as-built photos of the new signage was tracked and verified for completion.

A tremendous amount of preparation was made for each conversion weekend launch. As far out as a month from launch, a final analysis of each vendor would be weighed against their progress and projections for the weeks leading to launch. If risk was established, upper management would be contacted and daily meetings would be set up to track progress. Two weeks prior to launch, unveiling dates would be established and again weighted for success and risk. All subcontractor resources would be analyzed to make sure any shared install subcontractors would not be stretch beyond their capabilities. On conversion weekend, each vendor was required to have a Command Center in every major market. PNC and Monigle Associates also had a primary command center and field representatives in each market to confirm every site was installed and unveiled properly. Inspection teams followed each of the manufacturer's crews and performed a day and nighttime punch list. As manufacturers announced sites as completely unveiled, each site was inspected by the Monigle Team and submitted into SignCHART®, which created "real time" tracking and report progress during the launch weekend.

The goal was to have zero punch-list items for launch but there were some issues that needed to be addressed and improved upon. Illumination punch-list items had to be resolved within two days after launch and all other items within one week. Manufacturers were required to have representatives in the markets for one week past launch and the command center was also open 3 days post launch. Again progress was tracked in the database punch-list report and daily calls took place for the first week post launch. Some issues that were out of the manufacturer's control (new signs ordered and landlord electrical issues) were tracked to completion during weekly calls thereafter.

Describe the larger organizational goals or challenges addressed by the project or practice. Include any impacts that the project or practice had on building occupants. Limit responses to 1,000 words.

Project Goals: This project's goals were: strict adherence to the defined conversion schedule, maintain the highest quality of product and installation standards, and control of the project's costs. In addition to these prime goals were several others that reflect PNC's core values. First is maintaining customer relationships. These relationships are the suppliers, installers, and numerous subcontractors who have come to PNC or NCC as a customer, or companies who have been supplying both Banks with goods and services over many years. The second is environmental impact and holding true to PNC's well known "green" values. PNC continues to have more newly constructed LEED certified buildings than any company on Earth.

In terms of schedule, the program was completed within the critical time-frames. At launch, each site had new PNC signs installed and all was ready for opening day as a PNC facility. Punch-list items were always resolved within time-frames allotted and closeouts were completed in a timely manner.

Quality, although hard to gage in custom manufacturing and installation, was also successful. The amount of punch-list items remained consistently low for each phase and substantial completion of punch-list items was reduced by days as each remaining phase progressed. Post launch issues have been extremely rare. Every sign was reviewed in the field during the day and night to ensure quality branding was achieved for all times of day.

In regards to costs, the project was very successful. The first savings was determined through a consideration of illumination sources and the second through an extensive procurement process to reduce product and install costs.

During the procurement process, PNC focused on companies that have honed their efficiencies to submit the lowest pricing possible while maintaining the highest quality. The pricing was the fed into Monigle's SignCHART® database that included actual recommended signs for the project. Using that "real world" data analysis, PNC was able to weigh sign vendors to each other and also against historical price data. The end result was high quality products at below market and historical pricing. The vendor final bid prices and costs logged in the SignCHART® database also fed work-orders that were produced by the system, which then created certificates of payment. All non-standard costs were reviewed manually within the invoice payment system along with review of all change orders ensuring price and audit controls.

Following PNC's focus on green initiatives, an energy consumption analysis was conducted to determine if LED lights would be beneficial for the channel letterset illumination. The change to high output / low voltage lighting reduced yearly power consumption by 62% without sacrificing quality (see Exhibit G).

Project Challenges: The acquisition of National City Bank created many challenges in this type of conversion program such as: communication, winter weather, permitting and subcontractor constraints in each market.

Internal communication was very challenging but successful during the program. With so many sites, and an organization made of two separate corporations, it was difficult to deliver specific and critical notifications down through the internal chain to avoid confusion. With any large acquisition, there are often concerns, rumors and miscommunication coming from outside the project team. To avoid this, the Sign Team used frequent bulletin board updates posted periodically regarding the progress of the project, and to announce specific information. Prior to the sign conversion beginning in each market, a notification was sent out to the Market Managers describing the general sign conversion process, what is to be expected, and who to contact or how to address issues. Finally, individual site installation notifications were sent to the Retail Market Operations and Realty Services Property and Regional Managers the week prior to actual scheduled work beginning at each site. Work was scheduled during normal business hours, however when a conversion might impact a business operation, the project would be halted. An agreed upon time frame would be set up and work proceeded within those constraints.

Fortunately, the weather was fairly cooperative during this program but preparations were made for the worst. To reduce weather related delays, the team set concrete foundations ahead of installation phases where possible. In addition, having extra crews with heat guns for vinyl lettered sign installations during a conversion launch, assisted in meeting the goals of the program. Due to the winter weather and the temporary nature of banners and clings, a bulletin board hotline was set up so that anyone could notify the Project Management team if a National City branded banner had failed and the PNC brand was exposed. Issues were resolved within a 24 time period.

Permits remained a challenge but the team utilized local expediters and community relationships to assist in the process. Every internal and external resource was utilized to complete this critical milestone. Sites without permits approved one month from launch was identified as “at Risk”. Treated with special attention, these cases were reviewed almost daily and a decision made based on if the sign permit was obtainable for launch or if temporary branding would need to be fabricated and installed during launch weekend. Sites that required alternative branding were well below 5%.

To reduce local subcontractor overlap and overuse, prior to each conversion launch, each manufacturer was required to submit an unveiling schedule with company names and crew numbers. Overlaps were communicated back to the manufacturers and resolved prior to launch weekend. Also extremely aggressive or non aggressive schedules were reviewed and discussed with the vendors to assure that debranding would be completed within the allowed weekend timeframe and also completed with care to the final product.

Describe results achieved. Include quantitative and qualitative results. For quantitative results, describe the way that results were measured or evaluated. It is helpful to put savings results in some context – as a percentage of the overall facility or energy budget, for example. Energy and water savings results should be based on hard data, e.g. metered data or utility bills. If the project or practice involved the creation of metrics/measurements, use this space to provide more detail about the metrics program. Limit responses to 1,000 words.

As this was a conversion of unprecedented size, and the signage branding was being upgraded, savings were calculated based on a standard sampling of the sign package which had been used previously. Costs were kept low by weighing submitted pricing versus a set of actual signage recommendations. This allowed the team to focus on suppliers who were providing the best pricing on the actual product PNC needed most. On average, prices utilized were 16.5% lower than the last significant signage purchase. This is additionally significant because the previous project had also resulted in savings due to the Realty Service team's efforts.

Beyond the direct savings achieved from lower cost manufacturing and installation, ongoing expenses were reduced through the analysis and implementation of a new LED illuminated package of signs. In working with Monigle Associates, PNC's national sign consulting firm, the Sign Team was able to quantify the savings and Green impacts of moving to LED illumination for all of PNC's channel letterset signs. Making the LED illuminated signs part of PNC's standard family of sign package dictated using LED when new signs are installed. The use of LED illumination for the signs, reduced power consumption of an average sign by 62% without sacrificing quality (see Exhibit G). Additionally, the LED lighting has a longer life, which requires less effort to maintain operation. It also does not have the same composition of a fluorescent bulb, which has a lower environmental impact upon disposition.

In terms of schedule, the program was completed within the allowed timeframe with minimal punch-list items in each phase. Unveiling time-frames also improved during each phase. For instance, Phase I was completely unveiled on Sunday evening on conversion weekend, while by the time PNC reached Phase IV, unveiling was able to be accomplished by Saturday evening. (See Exhibit A for examples of unveiling activities)

While the consolidation of the PNC supply base was a difficult undertaking, the weighted metrics above allowed the Sign Team to take this into consideration when making award decisions. As a result, 50% of the suppliers who were ultimately awarded business had strong relationships with the bank, and many of the others had conducted some work for PNC in the past. This weighting, however, did not keep PNC from awarding to an otherwise very strong supplier who had no contact with PNC in the past, but who has proven to be an excellent supplier on this project.

Using the model above as well as the previously completed analysis and subsequent pricing submissions, determinations were made regarding which suppliers should be awarded the work. Of the awarded suppliers, several have been verified as MWDBE certified by PNC's Supplier Diversity Manager. The result is that MWDBE suppliers represent almost 25% of the workforce undertaking it, which when combined with the size of the project, represents a significant positive impact on the Diversity of PNC's supplier portfolio. This does not include the numerous diverse subcontractors that were utilized, which will be reported to PNC as a requirement of being awarded a contract on this project.

Finally, the goods and services provided in this project were very well received. The Sign Team has received many accolades of how well the sign design, manufacturing, and installation processes were accomplished. Retail Management was very happy with how well the project was handled and received. At this writing, it has been almost 4 months since the last phase of the consolidations, and although the Sign Team continues to process some final installations, reported issues with the new signs have been very minimal. However, punch-list item quantities remained constant for each phase, while completion time of the call backs was significantly reduced in each successive phase. Post launch issues have been very rare.

Describe methods used to communicate the results of the project or practice to the greater organization. (If the project or practice was a communications effort, use this space to provide more detail about the communications program.) Limit responses to no more than 500 words.

While the enormous project was underway, communication of all tactical issues was achieved through multiple weekly meetings. This included the core project management team as well as applicable Regional and Property Managers. The output of the meetings, as well as subsequent reports, was published via e-mail to tall appropriate managers. The agenda included a review of progress and an in-depth discussion on individual sites that were falling behind.

Monigle Associate's project management software, SignCHART®, was also used to house specifications and tracking metrics. Depending on authorization levels, the team and outside managers could access site level information as well as milestone reports by phase. It would also automatically send e-mail notifications when a milestone was achieved or action was required.

Once completed, The Chief Purchasing Officer (CPO) was made aware of the positive overall outcome of the project. He quickly communicated this success with top PNC Executive Management to make them aware of the impact the Realty Services team was having, not only on the bottom line, but also on the role of PNC as a corporate citizen in the markets we serve.

The Sign Team led by John Zurinskas, Vice President and Group Regional Manager, also received numerous accolades from executive management including Retail Banking management, regarding how well the sign conversion project was planned, communicated, and executed. Numerous Bank performance awards were also bestowed upon multiple members of the Sign Team in consideration of how well the project was delivered.

Additionally, PNC and NCC employees utilized an internal network, or intranet, to communicate with each other across the company. PNC's News On-Line is presented in what could be called a newspaper-style format, with stories on aspects ranging from employee introductions and updates on corporate policies to training on various programs or tools. Articles have already been posted on the quality and speed of the project, which coincided with the phased roll-out of branding. The Strategic Sourcing team, which also participated in this project, has developed an article and multi-media presentation focusing on the savings and diversity impact. This presentation, which is currently being reviewed by PNC Corporate Communications, will be made available to the entire company.

Finally, once the project was completed, the Realty Services team implemented a "check system" to verify that all Markets in each phase were pleased with the sign conversion results. The team reached out to each of the Market's Retail management requesting a list of any concerns or sites that their Market felt could still use identity improvement. The list of sites that were deemed worthy of an additional review amounted to 92 sites (6% of the entire footprint) that required some level of signage improvement. The request list varied greatly from simple secondary signs that didn't require permits to larger primary signs that required an additional variance process due to code restrictions. The listed items are being resolved as quickly as possible, while those that are deemed not allowed by code or variance hearings, are communicated back to the Markets.