

# Current Issues and Emerging Trends Affecting Facility Management Now and Into the Future

*Based on an IFMA Foundation survey and analysis*

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## **A PROACTIVE STEP IN THE RIGHT DIRECTION**

The word “issue” has many meanings—from a matter of public concern; to the essential point or crux of an argument, problem or debate; to the culminating point leading to a decision. For facility managers, issues are ever present, ever changing and ever increasing. A facility manager must constantly monitor issues, especially those cascading down or coming across the organization.

A “trend” may be defined as having a “general direction and tendency” that is not a fad (which tend to be confined). Since John Naisbitt published his blockbuster book *Megatrends* in 1980, most everyone in the business world is familiar with trends, especially those with *mega* implications. However, FMs must be vigilant of both mega and less-than-mega trends. FM is practiced in both the macro environment of business and the micro environment of the specific organization.

This white paper is focused on facility management and other implications in the built environment. As evident in its research and educational activities, since its establishment in 1990, the IFMA Foundation has been dedicated to the advancement of the facility management profession and the careers of FM practitioners everywhere. In a bold move to serve a wider array of stakeholders—from students, to FM practitioners, to those providing products/services utilized in FM, to end users who are every facility manager’s customer—the Foundation is pleased to present findings from its first survey on current issues and emerging trends. Moreover, it is planned that this survey will be repeated from year to year, in order for the Foundation to be a vanguard of what’s coming next. This initiative also will place the Foundation in good company with other global organizations who are meeting the needs of their stakeholders by anticipating future demands and needs of both their customers and their staff.

With these concerns understood, tools such as educational programs, research thrusts, white papers and other activities could be developed to assist FM professionals in carrying out their duties and, overall, in better preparing for their future in the industry. With the information in hand, we could, as facility managers, improve on our own practices and, in the process, strengthen our industry and ourselves as its practitioners. Having the survey become an annual initiative will ensure that we always stay current and ahead of the FM game.

## ***SURVEYING THE FM ENVIRONMENT***

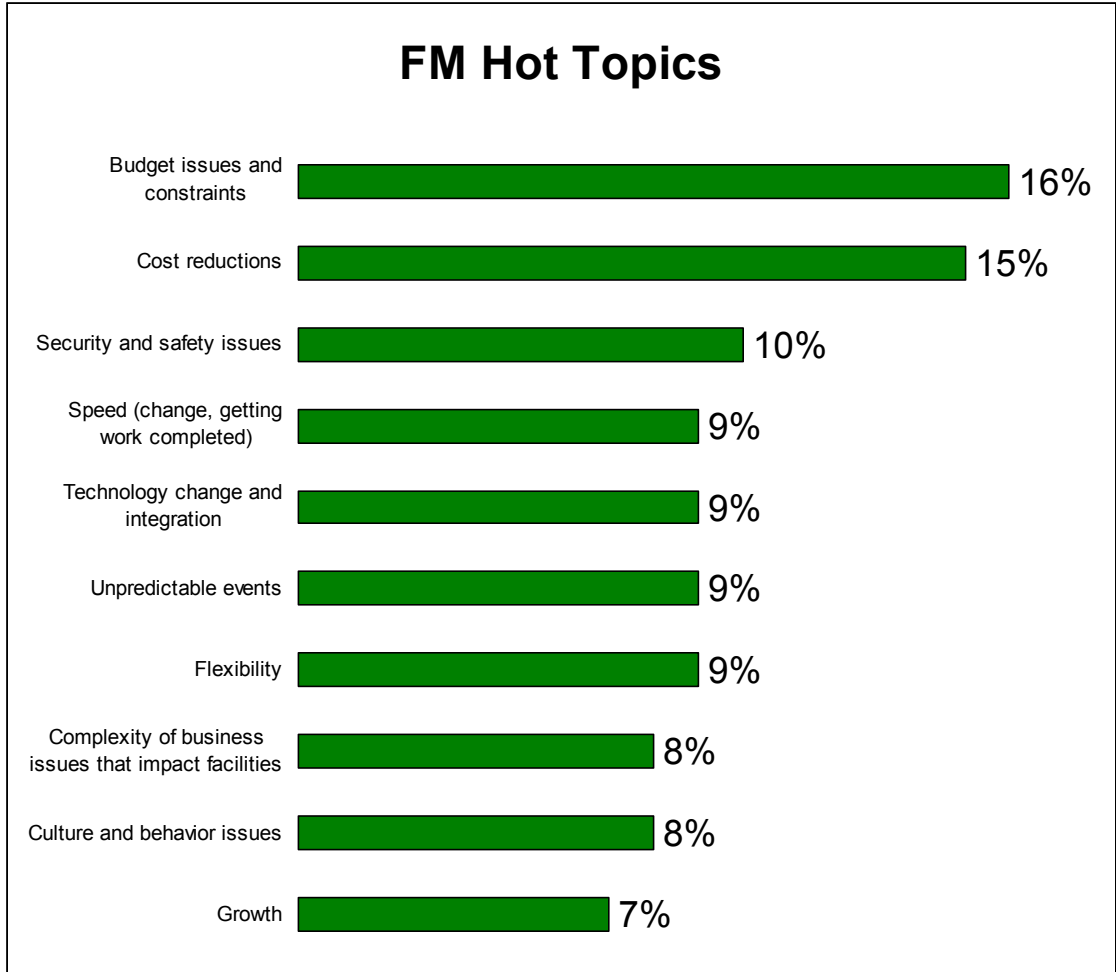
The survey was created by Trustees from the IFMA Foundation, specifically members of the Knowledge Management Committee (one of three Standing Committees within the IFMA Foundation). It was issued Feb. 23, 2004 with the closing date for receipt of all completed surveys March 5, 2004.

With 10 simple questions, the survey aimed to pinpoint the issues and concerns facing those in the FM field. The invitation to complete the survey was issued, via email, to 16,379 recipients. Fourteen percent of that group (2,303 people) visited the survey site, and 64 percent of those visitors answered the questions (for a total of 1,464 responses). The data were assessed and then charted for priority of issues, toward identifying issues and trends. The survey questions can be found in Appendix A.

What emerged is a snapshot of what FM practitioners are observing and thinking about *today*, as they head toward *tomorrow*.

## ***HERE IS WHAT MAKES FACILITY MANAGERS TICK...OUR ISSUES***

The impact of financial issues mattered most to facility managers. Representing a concern for a third of respondents (31 percent) were the topics of “budget issues and constraints” (16 percent) and “costs reductions” (15 percent). Responses to the balance of issues were a jump below, receiving 10 percent of the answers or less. In priority, the next issue at 10 percent was “security and safety issues” which would cover events from computer hacking and accidents through to domestic violence at the workplace and acts of terrorism. The next four issues were selected with equal frequency at nine percent of responses. They could be considered as variations on the theme of constant change and the concern for keeping pace. The specific wording for these issues is “speed (change, meeting customer time expectations, getting work completed)” and “technology change and integration” and “unpredictable events,” and “flexibility.” The next two items deal with the unique character of each business. The issues reflect the difficulty to match complex business issues with a suitable facility (eight percent) and to provide an accommodation that suits a given corporate culture and behavior (eight percent). The last issue of the top 10, “growth,” received seven percent of the responses. This word has many meanings and it is difficult to be sure how respondents interpreted its meaning. This observation could reflect the growth (or shrinkage) of physical space or the personal and professional development of the respondent.



N = 1,464

**Financial Issues...Budget Issues and Constraints/Costs Reductions (16 percent and 15 percent)**

It is probably not that much of a surprise that costs and budgets are big issues for those of us in FM. We are not the only ones concerned with it. As facility managers we are involved with other industries such as real estate, which is in dynamic and competitive environments of its own. Real estate professionals have nearly identical concerns. Author and Real Estate Strategist Martha A. O’Mara writes that “broad changes in global markets and technology mean that there are fewer predictable industries these days.”<sup>1</sup> That kind of unsteady environment makes it difficult for any company to take anything but an ad hoc approach to decision-making, rather than thinking long-term. Facility management similarly is challenged.

Yet, a volatile economy is nothing new and given recent world events, it is not likely to stabilize any time soon. So, what does this mean for FM?

<sup>1</sup> Martha A. O’Mara, *Strategy and Place*, (New York: The Free Press/Simon & Schuster, 1999) page 21

It can mean many things: unpredictable organizational behavior, challenges in how to get work accomplished, accommodation difficulties, building problems, rising costs of office space, etc. A realm of FM responsibilities constitutes one of business' biggest expenses and as such, makes FM an easy target for cuts. When Nortel's® stock plummeted, the high-tech company laid off hundreds of employees, leaving buildings vacant. Often, when a company has the choice of raising salaries, or putting money into its building infrastructure and maintenance and repairs, it will choose the former. In the long run, the company ends up paying more. Not to mention that improvement in workplace environments adds to the productivity and overall well-being of the staff.

Building maintenance and everything associated with it—the use of eco-products in cleaning, adding or subtracting heating and cooling by degrees to save on costs—is sometimes considered a discretionary expense. Too often, CEOs are more concerned with balancing their budgets as they pertain to profit margins. They are far less likely (or perhaps incapable) of seeing the value-added benefits of putting money into facility enhancement or upgrades. Yet, what ends up happening is that a cost-cutting mindset can impede organizational effectiveness—the exact opposite effect CEOs are seeking. Productivity drops, and profit margins follow. And if there is no choice but cutting back, how do facility managers and top management decide what the threshold is before the FM system becomes dysfunctional?

As O'Mara writes, “Examples of short-changing interior facilities at the expense of organizational effectiveness are plentiful. Space standards may become so tight that the noise and distraction levels reduce employees' ability to get their work done and increase their stress...Information technology and support staff costs often increase when office space is limited...When cost is the sole arbiter of a critical resource decision, opportunities for finding new sources of competitive advantage, for being better and faster, for discovering creative sources of differentiation will be lost.”<sup>2</sup>

Though “budgets issues and constraints” received the highest ranking in the IFMA Foundation survey, with “costs reductions” a close second, cost cutting often still occurs without regard to long-term, negative tradeoffs. Unfortunately, there doesn't seem to be any improvement in allocating adequate resources to FM in the future or in cutting costs. FMs are not strangers to complex, dynamic and sometimes unsolvable problems.

Cost issues are not going to go away. Practitioners need to learn better problem-solving processes that integrate cost and budget issues with organizational, value-enhancing services. It is an opportunity to help change the view that senior management has for the built environment and its contribution to profitability. It is also beneficial to “educate and work closely with” those in the organization responsible for finance and asset management, like CFOs and COOs. How do they expect to have safe, healthy (both physically and ergonomically), smooth-running workplaces with comfortable (and therefore more productive) employees if they are not going to invest properly?

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<sup>2</sup> O'Mara, *Strategy and Place*, page 52

## **Better Safe than Sorry...Security and Safety Issues (10 percent)**

The fact that this was ranked high in the Foundation's survey came as no surprise. The events of 9/11 threw the world into a vortex of terrorist acts that have increased since that cataclysmic event in 2001. No wonder there is so much uncertainty. Insecurity is now a part of our collective global psyche. Safety issues have been thrown to the forefront, whether they relate to national security or to contingency planning or just keeping buildings safe.

For FM, keeping buildings safe is not a simple matter. Entrances and exits to buildings must be secured, either with security guards or electronic I.D. which requires upgrades and updating, control rooms must be equipped for monitoring entries and exits or entire building plants, I.D. passes must be issued, security alerts and alarms have to be managed. Building interiors have to be monitored, as well, either by security guards or via electronic surveillance systems which, in turn, have also to be monitored. Yet FM practitioners are hardly security experts. Technologies are rapidly changing, new tools are constantly being developed, and there is no time to develop security plans for every conceivable scenario when the day-to-day business of FM requires immediate attention. At the same time, computer hackers and terrorists are becoming more and more sophisticated. Viruses are rampant and becoming more troublesome and more difficult to detect.

Included in these concerns is the vulnerability of FM staff to dangerous and insecure situations. FM practitioners are front-line in any given emergency situation, whether it is a toxic spill in a chemical plant or a building fire or a bomb scare requiring complete evacuation. As if managing the logistics in an emergency were not enough, FM is also responsible for the security of employees, their workspaces and belongings, as well as their computer and hard-copy data. If a company or organization does not rank security high in its list of business practices priorities, then it leaves its employees vulnerable by compromising their safety with inadequate measures, just to save money. It also makes the job of the facility manager that much more difficult and frustrating. The overall result is that FM practitioners may feel that they have no control over their environments and over the unpredictability of the future.

## **The Fast Lane's Out Of Control...Speed (Change, Getting Work Completed) (9 percent)**

Every facility manager has experienced it. He or she gets a call to replace a light bulb at a particular location. Ten minutes later, while locating the right bulb, there is another call, but this time the customer is irate—"What is taking so long?"

The speed of organizational change has increased substantially, and sometimes, exponentially. Keeping up with this rapidity has not been easy. Developing flexibility into a facility that is predominantly steel, concrete, brick and ridged building systems is expensive and difficult.

It was easy with light bulbs. But now facility managers are looking at more complicated needs. The security system has a glitch; the magnetic parking-access cards are malfunctioning; employees are either too hot or too cold; the seventh floor needs to relocate tomorrow; and the CEO wants his office physically redesigned yesterday. The demands are more numerous and more spontaneous.

Additionally, FM may not be included in business restructuring or consulted for advice or expertise when a physical change is imminent. This lack of consultation makes it a lot harder to do the job well. It is no wonder this was ranked third on the survey.

### **High Tech Disconnect...Technology, Change and Integration (9 percent)**

Sharing equal ranking with speed, this issue tends to be a precarious and recurring side of FM. Much of maintenance is still done with a very low-tech approach. Brawn moves equipment and furniture. Brain figures out the solutions to the problems. Many in the FM field are still doing things by hand. Building automation and computer-assisted FM tools might not even be in their lexicon.

The problem is not so much “old school” as it is “no school.” Technology changes so rapidly that it’s difficult to keep up with the latest in building automation systems, let alone try to educate. FM practitioners should keep up with the latest in FM technology applications and integrate them into their own facilities, but first they must provide a valid business case to convince the CFO to approve the costs. But, to keep up and keep techno-savvy often requires initially-costly training, with anticipated financial paybacks over the next horizon. The time and money investments must be justified and put into perspective.

On the positive side, new software and hardware for all kinds of applications always are being developed. In the field of security, many security programs are now being integrated into systems to create operational models that are easier to use and are based on an overall integrated approach.

### **Expect the Unexpected . . . Unpredictable Events (9 percent)**

Economic swings, unexpected competition, governmental regulations, labor shortages, off-shoring activities, mergers and accusations, 9/11 and war are business issues that impact all aspects of the organization.

Also ranked third was the whole issue of tackling unforeseen events. It is not just a matter of emergency preparedness; it is a matter of knowing *what* to prepare *for*. And it is a matter of having enough time to attend to the things that need to be done.

For example, experience dictates that there will be ice storms and power outages. But the reality is that FM practitioners are short staffed and keep busy with customer demands. They should be developing plans for dealing with unexpected events, but

instead they are impeded by peripheral duties, preventing them from tackling the important tasks such as developing emergency-preparedness plans.

“Be prepared for anything and everything” should be the motto of every FM practitioner and their respective organizations.

### **Going With the Flow...Flexibility (9 percent)**

The thought is: flexible organization verses rigid facilities. Organizations are becoming more ameba-like and very fluid, yet facilities remain very rigid. Reacting to the organization’s business needs is critical to the overall success of the organization.

Anything can happen in a workplace situation. And because of that, the best plans become yesterday’s “to do list” that never got done. You might have planned to reassess the air quality program today only to find that the CEO needs you to present a portfolio performance update to the board tomorrow. Being a facility manager means being able to act and react to what is required as soon as it’s required, leaving best laid plans to wait until today’s “emergency” has been dealt with.

### **Minding Your Business [the FM business]...Complexity of Business Issues That Impact Facilities (8 percent)**

This item of concern overlaps with “flexibility.” Some FM practitioners have a tough time keeping up with the problems that affect the facilities they are managing. Business decisions these days are so complex that companies have difficulty making them. Many of these decisions have to do with downsizing, and that becomes a FM problem. When a company lets many of its people go, that can have a tremendous effect on the physical manifestation of that company—especially buildings. They either become vacant, or create major office-space restructuring problems. What makes things even more difficult when major moves occur is that the facilities department often is the last to know. Instead of being integrated into the decision-making process, the facilities function and the people therein often unfortunately are regarded as afterthoughts.

### **Culture Club...Culture and Behavior (8 percent)**

Every organization has its own corporate culture. That culture dictates how physical space is used (i.e. spacious offices for upper management, Dilbert-like cubicle farms for clerical staff) and how people are treated (status-consciously or informally).

Corporate culture also dictates spending habits. A fiscally-conservative company might be tight with spending and a hard-sell when it comes to increasing FM budgets, while a corporate culture of entitlement might include a more liberal approach to spending and be less restrained in spending habits.

Attitudes on spending can also apply to personnel. Hierarchical businesses are generally status-conscious. Management has the more elaborate (perhaps ostentatious)

offices, usually built or enclosed, while the foot soldiers work in open-concept workstations. In this kind of corporate culture, the FM practitioner might be regarded as the lowest figure on the totem pole—the bottom of the food chain. In more informal and egalitarian corporate cultures, where all workers are regarded as equal in organization-supplied accoutrements, the FM practitioner might be more humanized and acknowledged for his or her expertise and FM skills.

Culture also can refer to the frequency of change in an organization; that is to say, how often things get changed, offices get moved, staff has turnover or emergencies happen.

### **If You Plant It, Will It Grow?...Growth (7 percent)**

Mergers and acquisitions, new product developments, surging sales, etc. are some of the reasons why an organization might experience dramatic expansion. Growth also can pertain to the FM industry itself. How do we view our profession in a rapidly-changing world? How do we stay competitive? How do we attract new blood? And will we be able to retain the talent we do attract?

### ***ISSUES THAT LEAVE FM PROFESSIONALS LUKEWARM, AT BEST***

It was interesting to note just what *was not* on the minds of FM professionals. “Reengineering” barely appeared on the radar screen, not to mention “globalization” and “the organization has changed so much, not sure how to support it.” That is probably a good thing. Those issues connote “change,” which contributes to job insecurity on many levels.

Other issues of concern which did not make the top 10 list but were nonetheless important to survey respondents were: ability to demonstrate the value of FM to the organization (which was also indicated as an issue respondents would like more information on); training and educational needs; and outsourcing and restructuring. Items-of-interest respondents wanted to be informed about were: technological change and integration; the complexity of business issues that impact facilities; green building and sustainability issues; and outsourcing.

### ***WHAT GIVES ON THE GLOBAL SCENE?***

For comparison, here are some similar issues of concern or relevance for specific sectors and industries.

### **Visual Effects/Dynamic Media Studios and Facilities**

In a third major survey conducted last summer, it was found that most studios worried about competition and pricing. What is interesting to note is that their “business challenges” also included economic conditions, as well as knowing what the industry direction is to be and how to find the best and most qualified people. Competition was also rated as a “business challenge.”

The survey also found that seven out of 10 studios are planning workstation upgrades. They are putting money into FM. You will find more information on this particular industry and its recent survey at [www.trendwatch.com](http://www.trendwatch.com), a site devoted to trend-watching the graphics, visual effects and broadcast/cable markets.

## **Global Financial Services Companies**

New challenges to this industry—which include insurance, reinsurance, financial services institutions and distributors—are, obviously, e-commerce-based. The industry, like the one mentioned above, has also to rethink its approach and go “beyond their traditional business models”, according to [www.ACORD.com](http://www.ACORD.com), a non-profit New York-based association whose work helps to develop and set standards for insurance and related financial services industries. It has identified its challenges as competition, globalization and business environment (how to “increase efficiencies, create new partnerships, process transactions faster, and globalize”), customer demands, and technology (“finding the right combination...to respond to these challenges”). Research into consumer habits revealed that Internet use will grow as customers are increasingly turning to on-line banking and consumer buying, that sales in life insurance policies have decreased over the years, and that insurance companies could save money by “integrating the Internet into their sales and administrative processes.”

## **Corporate Real Estate**

Perhaps this industry, more than any of the other ones mentioned here, often is part of FM. In a paper entitled “The Vision: Enabling Work in a Networked World; A Collaborative Vision of the Role of Corporate Real Estate in 2010” and produced by Corporate Real Estate 2010 (a CoreNet Global research and development program for corporate real estate and infrastructure management professionals), the emphasis on the “networked world” emerges as the most notable trend emerging in the industry. According to the paper, the forces that will drive business in the future “include globalization, technology, changes in the workforce and the nature of work, innovation, risk, and the increasingly important and related issues of corporate and social responsibility and sustainability.”<sup>3</sup>

Technology is the biggest challenge-cum-trend. Developing “a technology strategy and architecture that supports the value network of the enterprise” will be a key to future success.<sup>4</sup> One anticipated trend is seeing “higher levels of collaboration within and across industries as manufacturers, suppliers, and trade groups continue to refine and implement common processes to reduce costs, increase efficiency, enhance quality and improve time to market.”<sup>5</sup>

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<sup>3</sup> Corporate Real Estate 2010, “The Vision: Enabling Work in a Networked World; A Collaborative Vision of the Role of

Corporate Real Estate in 2010 ” (CoreNet Global Learning, 2003) page 4

<sup>4</sup> “The Vision”, page 6

<sup>5</sup> “The Vision”, page 6

Related to this is the issue of risk management, which will become the top priority for business and governments in the immediate future. Reflecting within our own FM culture, corporate real estate is also concerned with security issues. Aside from protecting “themselves against the loss of people, property, or financial resources, in a networked world, both public and private institutions must now be able to defend themselves against the loss of connectivity, intellectual property, and a variety of other new world threats... This... is challenging many of our traditional assumptions about the role of corporate real estate and the infrastructure in emergency planning, disaster recovery and business continuity.”<sup>6</sup> There will be “an even greater emphasis on both physical and electronic security.”<sup>7</sup>

One trend that particularly resonates with FM is that “contractors, part-time workers and full-time employees [will work] independently and in teams to carry out their tasks.”<sup>8</sup> This, “combined with new technologies that provide knowledge workers with the ability to work anywhere at any time,” has significant implications.<sup>9</sup>

A related (and big) trend is the move to networked systems, both formal and informal, but linked into one. The paper stresses that this trend “toward the networked world is one of the most significant long-term trends in business... [and] will fundamentally transform society and almost every aspect of the way in which firms operate.”<sup>10</sup> “And while the new workplace will be defined around workflows, business processes, and capabilities needed, the information required to manage this type of environment will be massive and continuous—and will need to be seamlessly integrated into enterprise-wide solutions that link actions planned and taken to financial, HR, and higher level performance management systems.”<sup>11</sup>

Outsourcing was identified as a growing trend, which, in the future, “will be characterized by an even greater share of services being outsourced to a smaller set of strategic partners who will also be asked to assume a greater portion of the risk for doing so.”<sup>12</sup> Also considered a notable trend was integrated corporate infrastructure management which not only will increase profits and improve on productivity and service quality, but will also generate revenue while cutting costs. This latter trend was suggested as becoming recognized as a “best practice by leading firms... the reason ... apparent: the business and economic forces of speed, flexibility, rationalization and leverage are so great that the benefits of integration can no longer be ignored.”<sup>13</sup>

Finally, what was also identified in this paper was the need for “continuous innovation.”

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<sup>6</sup> “The Vision”, page 8

<sup>7</sup> “The Vision”, page 10

<sup>8</sup> “The Vision”, page 6

<sup>9</sup> “The Vision”, page 7

<sup>10</sup> “The Vision”, page 10

<sup>11</sup> “The Vision”, page 16

<sup>12</sup> “The Vision”, page 12

<sup>13</sup> “The Vision”, page 15

## **TRENDSETTERS...SPOTTING THE TRENDS**

Trends are like predictions; some come true, others lose momentum and don't generally materialize or have a very short shelf-life. In some ways, trend-watching is like keeping an eye on the stock market to see which ones really take off. It's the ones that stick around longest that you have to keep your eyes on. There is an intriguing site that keeps on top of consumer and business-related trends. Some of them are a stretch or a little "out there," but they are amusing if nothing else. The site: [www.trendwatching.com](http://www.trendwatching.com). The list is huge, but here are some of the more interesting ones.

### **The Top Ten 2004 from the Guys at the Top**

CEOnetworking is a Silicon Valley-based network for CEO executives. In an article by Mitchell Levy—a partner of CEOnetworking, the director of the new Silicon Valley Executive Business Program, and president and CEO of Ecnow.com (a management consulting firm), as well as an author, speaker, and lecturer—the top 10 CEOnetworking business trends for 2004 are presented. (Levy has been identifying trends in business and e-commerce since 1999, with a very impressive record of accuracy.) This is what Levy and company (all of the CEOs he interviewed for this item) see for the immediate future:

1. Viruses and spam get worse, not better
2. Continued global economic dependency and a backlash against offshore outsourcing
3. Internet telephony continues disrupting the existing players
4. For survival, companies continue to consolidate
5. Wi-Fi gets bigger
6. Business continues to evolve to the next level
7. Some positive IT, economic and stock market movement
8. Security is still the number one IT concern
9. Social networking takes off
10. The term "e-commerce" comes back into vogue

Bonus Trends:

- A. Software continues to change forever especially via the ASP model
- B. Marketing becomes important again

(Go to the site: <http://ceonetworking.com/businessstrends/2004Top10withQuotes.pdf>.)

### **Forbes' 2004 Top Technology Trends**

In a recent *Forbes* magazine article written by Jon Fortt, the author identifies a number of trends to watch for in technology.

“The defining tech trend of 2004,” he writes, “probably will be related to the defining trend of 2003—the laptop’s steady march to overtake the desktop as the face of the PC.” With prices dropping daily, the PC will be competing for consumer dollars.

A wireless technology, known in the industry as “bluetooth,” is forecasted to have a big year in 2004. It replaces the cables on electronics and can be built into keyboards and mice.

Camera-phones are the next big tech item. According to the *Forbes* article, Nokia® is considering producing many of its phones with self-contained cameras. The largest maker of U.S. cell phones, Motorola is hoping to step up its camera-phone production this year.

Apple Computer—the maker of the iPod®—might soon have a rival competitor. Dell® is building a cheaper digital music player product, the Dell Digital Jukebox®, a more flexible (in sourcing the drives) if somewhat bulkier product. But that will make the price more competitive with the iPod®.

Today some people feel as if they live and work in an Orwellian, *Nineteen Eighty-Four* dystopia (opposite of utopia) with “Big Brother” ever present and watching. Voyeurism has become a popular sport and technology is making it easy to do and hard to detect. According to Fortt, “Hidden cameras in a Tennessee middle-school locker room prompted a lawsuit in the summer...”. Who knows who is watching whom?

Watch out, Plasma TV. Intel® is going to give you a run for the money with its new chips and the claim that these same chips will lower the cost of producing projection televisions.

(Go to [www.forbes.com/excepicks/2004](http://www.forbes.com/excepicks/2004))

## More Trends

Adam Hanft, president of Hanft Byrne Raboy, a Manhattan-based advertising and marketing firm, has co-authored a book with Faith Popcorn entitled *Dictionary of the Future*. Here are some excerpts:

- Industries will be under “attack” from a variety of fronts, and at the same time. Fast food is under scrutiny, for example, by the health, safety, and environmental “police.” So instead of trying to deal with single issues as they come up, which is the way things have gone in the past, industries will be under a barrage of attacks and have to deal with them simultaneously;
- Open-sourcing will gain in popularity, where volunteers and consumers will join forces with businesses to create new products;
- Consumer activism will be a force to be reckoned with;

- “Green” technologies such as solar and wind power, PZEV’s (partial zero-emission vehicles) and hydrogen fuel will become more popular with consumers;
- CEOs become brand names; and
- With corporate scandals being commonplace these days, a reversal is bound to set in. Many organizations will revert to the traditional hierarchical structure with all the power “at the top.”

(Go to [www.inc.com/magazine/columns](http://www.inc.com/magazine/columns))

### ***THIS IS HOW IT ADDS UP (DIAGNOSING THE TRENDS)***

As you can see, there are as many trends and prognosticators as there are stars in a clear night sky. Just what they mean for FM practitioners requires some thought and analysis.

Competition and pricing, customer demand (and activism) and the related costs associated with the demand, seem a concern for many of the industries cited. Customer satisfaction, speed of delivery, technological advantage and efficiency—these are similar to the concerns cited in our FM survey results. Of course, factored into all of this are future economic conditions because those, in the final analysis, are what drive markets forward, or backward.

High tech, its relentless advances and its implications for all industries, is very much a “hot” issue. How to use it to benefit operations, production, manufacturing, and how it will impact on security issues, makes it a very complicated element of all industry operations. There are just so many possible upgrades, so many different choices in software, such variety in hardware capacities, and so many aspects of security.

Security is another major hot issue. Emergency planning, disaster recovery and business continuity were cited as top concerns for real estate. The same holds true for FM. Earlier in this paper, it was stated that it is unrealistic to expect a FM professional to be a security expert and also to develop emergency-preparedness plans for every scenario under the sun, while still carrying out the daily duties and “emergencies” that crop up in the general course of business. Yet, in the near future, the emphasis for businesses will be on physical and electronic security. Dependence on FM professionals and their expertise, it follows, can only increase.

The “networked world” and technology strategies as they pertain to individual industries is yet another major issue/trend. Systems that facilitate work processes—whether administrative, strategic, planning, security, human resources—will be of major consideration in streamlining business practice and bringing industries ahead competitively.

Outsourcing is a growing trend across industry sectors. The implication is that FM professionals will have to ensure they keep abreast of new developments in their field, in *all* areas (security, IT, emergency preparedness, etc.) to stay competitive. Outsourcing is not our biggest concern for the future—the ability to demonstrate value is. Senior management views facilities as a cost no matter *who* does the work.

## ***PONDERING THE FUTURE***

Maybe it is time for facility managers to step back and really think about the future. Maybe it is time to visualize who—and where—the profession wants to be in the coming years.

Demonstrating to the organization that the built environment is more than a sunk cost is paramount. Good FM has the ability to impact organizational performance in a very positive way. Therefore, the typical facility manager has more clout/impact than what he or she probably realizes.

One of the interesting trends identified earlier that might be one for facility managers to think about is the “paradigm shift” and innovation. We read that the global financial industry is rethinking its approach to its customer base. What worked in the past is clearly not working as well today and won’t be doing any good tomorrow. Perhaps a paradigm shift of sorts is needed in the FM field; not a total change in direction but maybe more in the way we think about ourselves (and how others regard us)? Innovation is what gives industries a solid foothold into the future.

For FM, that might mean changing our image. We saw in the survey results that image was a possible problem for our stakeholders. Management doesn’t always look upon us as “professionals” yet nevertheless relies on us to get the job done. Perhaps the profession needs to redesign itself—both marketing-wise and image-wise?

It seems obvious that all facility managers need to educate their clients. One way of accomplishing that is through targeted marketing. We are the experts in the business installations/facilities field. That is an impressive field given all the knowledge, problem-solving and accountability required to do the entire breadth of the job. We are “Jacks and Janes of many trades”: security, emergency preparedness, continuity planning, ergonomics, space planning, real estate, telecommunications, technology integration, etc. But for the most part, we are still too often seen as janitorial staff. This must change. There has been significant progress, but there is still much to do.

And here is something else to think about. Maybe we need to “sell” our clients on the idea that buildings should be seen as renewable assets. Right now, in the real estate industry anyway, buildings are regarded as depreciating investments and increasing liabilities. By “selling” the relevancy of FM to a host of end users, FM professionals can prove their worth and their bottom line contributions.

## **REVIEWING THE SITUATION**

In a 1998 U.S. General Services Administration publication entitled “The Integrated Workplace,” based on a study and produced by the Office of Real Property, the following three items were presented:

- The quality and suitability of workspace greatly affects the productivity and well-being of those using it;
- Since people are the most important resource and greatest expense of any organization, the long-term cost-benefits of a properly designed, user-friendly work environment should be factored into any initial cost considerations; and
- Strategic organizational planning must include real property considerations and have participation from facilities professionals.<sup>14</sup>

This is nothing new to those in the FM field. The IFMA Foundation survey results reflect the fact that FM practitioners grapple with these issues on a daily basis. The fact that FM is not viewed as an invaluable (value-added) ingredient to better workplace planning keeps the industry from moving forward and making these issues disappear once and for all.

Achieving greater recognition will ensure that facility managers are “players” in a global marketplace. It also will ensure that whenever there is a facility aspect in a business decision, FM practitioners will be consulted forthwith for their expertise and be full participants in the ultimate resolution of the matter—whether short-term or long-term in nature.

A concerted and sustained effort should be put forth by a variety of FM and FM-related organizations to secure its relevance. The IFMA Foundation and IFMA (International Facility Management Association) already are committed to this end. Greater collaboration will be the key.

Additionally, our biggest challenge is—and will continue to be—how to demonstrate that the built environment can effect and enable an organization’s ability to achieve desired business results. Cost and budget issues still are the focal point in the facility management profession, so how do we as professionals take those constraints and be good stewards of organizational funds and demonstrate value-added service? How do we achieve a major shift in perception from being viewed as a “cost containment” function, to an “asset management” function?

Change is in the air. It can be frightening and a cause for insecurity and uncertainty. Or, it can be embraced and harnessed for the benefit of the FM field.

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<sup>14</sup> United States General Services Administration, Office of Governmentwide Policy, Office of Real Property, “The Integrated Workplace” (1998) page 9

The IFMA Foundation would like to thank all those who took the time to complete and return the survey. Regardless, we hope this white paper stimulates your thinking and desire for action. Advancing the FM profession is every practitioner's responsibility. Read and learn everything you can on adding value to services. Most importantly, know the facts, benchmarks, indices, matrixes and figures behind the argument for greater FM investments. And, be able to present them logically. Ring the FM bell whenever and wherever you can. Do it often. Have your 30-second elevator speech ready for that unexpected encounter with the CEO, board member or influential end user. Knowledge, no matter how critical, has no value if it is not convincingly communicated.

## APPENDIX A: SURVEY QUESTIONS

1. Last name, first name
2. City, State/Province, Country
3. CFM or other Professional Certification
4. Years in FM or related built environment discipline
5. Years of education or Levels of Education (Diploma, Bachelor, Master, Ph.D.)
6. Discipline of study
7. Current job title and/ or position within your organization
8. Industry Segment
9. Identify the top 10 issues and trends you will be facing in the next year that will impact your efforts in providing quality FM strategies and workplace solutions. Following are some issues and trends that we know of; please use the blanks at the end of the list to add those that we have missed:
  - Costs reductions
  - Flexibility
  - Unpredictable events
  - Complexity of business issues that impact facilities
  - Speed (change, getting work completed)
  - Growth
  - Down sizing
  - Budgets issues and constraints
  - Technology change and integration
  - Restructuring
  - Reengineering
  - Mergers and acquisitions
  - Culture and behavior issues
  - Hiring the best and brightest employees (recruiting and retaining)
  - Policy changes
  - Globalization
  - Outsourcing
  - Threat of loosing your job
  - Security and safety issues
  - Green building and sustainability issues
  - Ability to find qualified suppliers and vendors
  - Unrealistic expectations of your customers
  - Training and educational needs
  - Ability to find qualified employees to perform FM related work
  - The organization has changed so much, not sure how to support it
  - Ability to demonstrate the FM value add to the organization
  - Managing staff
  - Others - explain
  - Others - explain
10. Of the above topics which 2 would you like to see more information available to you to help you with the work that you perform?

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