



# 'Rock the Foundation' 2010

## "Facility Trends in the Workplace"

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“To expand our knowledge of the **Built Environment** in a changing world through scholarships, education and research”




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## Overview

- ▶ Executive Summary
  - FM Questions and issues of today (a FM Practitioner's Viewpoint)
- ▶ Setting a frame of reference from selected industry sources
  - Global Megatrends Highlights
  - Fact based decisions, Actionable Data
- ▶ IFMA Competency Framework
- ▶ IFMA Facility Trends
- ▶ Interactive Discussion on Today's questions and IFMA Trends



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## Questions of today – a practitioners viewpoint

**Key Considerations**


- Why is Real Estate/FM important?
- How can FM own the business process and implement strategy?
- How has the current economy changed the level of importance?
- What are the opportunities FM can assist their companies?

**Common Challenges**


- Leadership endorsement
- Resource constraints managing transformational initiatives
- Actionable Data
- Fact based decisions

**Current opportunities**

- Risk Management
- Process, technology and controls improvement
- Cost Reduction



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## Key strategic issues – a practitioners viewpoint

**What is your workplace strategy?**


- Business Strategy
- Execution Strategy
- Performance Improvement
- Functional alignment

**Do you have a common framework?**


- Unraveling Complex Decisions
- Actionable data
- Demand, supply and occupancy levers
- The business objective, plan, implementation, process, critical success factors

**Are you enabling your team to reach strategic goals AND, their full potential?**

- Leadership – first things first
- Using FM to gain competitive advantage
- Quantum leap -- Transformational change



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## Global Megatrends – EY examples

What

- The 2009 Global Megatrends highlighted are an Ernst & Young perspective of some of the most **significant trends** we see today in the marketplace. We offer a **snapshot** of the main themes and concepts within each trend — a concise view to **raise questions and spark new ideas**, rather than a comprehensive set of answers.


When

- These megatrends have been identified at a **time of particular flux**: we are in the midst of an economic crisis and there is considerable uncertainty about the future. Despite this unstable environment, we still need to think about the trends that were unfolding before the crisis — questioning **how they will evolve** and **what new directions** they might follow — as well as considering **new trends** that are emerging.

Why

- These megatrends present a view on the most important themes that are likely to play out in the medium to long term: **they are what we need to be thinking about to prepare ourselves for the future.**

Source: © Ernst & Young, 2009



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## Global Megatrends, continued

### Brief summary of EY's seven key influential trends

Source: [www.ey.com](http://www.ey.com)  
© Ernst & Young, 2009





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 **Fact Based Decisions, Actionable Data**

Source: In search of clarity – unraveling the complexities of executive decision making”, the Economist Intelligence Unit, 2007

- Five Ingredients of good decision making
  - High quality data
  - Access to good technology and training
  - Sound judgement
  - Trust
  - Flexibility

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 **CFM Competency Framework**




Advancing the Business

Leading the Organization

Managing the Facility

Finance  
Real Estate  
Technology  
Communications  
Quality & Innovation  
Leadership & Management  
Operations & Maintenance  
Health, Environment & Safety  
Planning & Project Management

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Source: IFMA, 2010




## FM Competencies 2010

- Security
- Strategic Planning
- Energy Management
- Productivity Measurement
- Negotiation Strategies
- Sourced Services Management



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Source: IFMA, 2010



## FM Skills - 2010

- Project Team Building
- Innovation
- Motivational Training
- Cultural Diversity
- Entrepreneurial Value
- Adaptability
- Multi-Lingual Capabilities



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Source: IFMA, 2010




## IFMA - Facility Management Trends

1. Linking facility management to strategy
2. Emergency preparedness
3. Change management
4. Sustainability
5. Emerging technology
6. Globalization
7. Broadening diversity in the workforce
8. Aging buildings

Source: IFMA, 2010



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## IFMA -Taking Notice

The human factor has become the most critical element in the workplace requiring an infrastructure focused on:

- Productivity
- Security
- Health and environmental monitoring
- Diversity
- Customized work environments
- Amenities
- Remote work

Source: IFMA, 2010



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 IFMA - Trends & Decision Drivers



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Source: IFMA, 2010


 Trend #1: Linking FM to Strategy

Facility Management must:

- Have a clear vision and understanding of long-term strategy rather than a short-term focus on tactics
- Transition from cost control to supporting the development of human capital
- Understand the complexities associated with strategic facilities planning/budgeting
- Be responsible for the facilitation of interaction, not the distribution of physical space


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Source: IFMA, 2010




## Trend #2: Emergency Preparedness

- Unforeseen emergencies
- Natural disasters
- Data protection
- Threatened or actual terrorism
- Chemical/biological incidents
- Workplace violence
- Crime
- Pandemic flu



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Source: IFMA, 2010




## Business Continuity Critical Questions:

In what ways are we vulnerable to an incident?

How can FM professionals be viewed as leaders during a crisis?


How can we develop an infrastructure and sense of well being that creates a productive environment when returning to our facility the day after an incident?

Do you have the right components of a Business Continuity Plan in place?




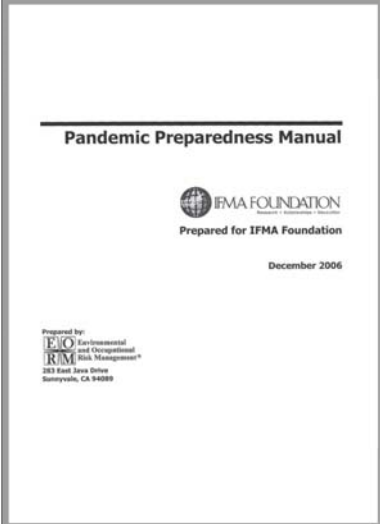
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Source: IFMA, 2010


 **IFMA Foundation Resources**

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 **Trend #3: Change Management**

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Scope of responsibilities for facility management are becoming less distinct requiring a wider array of competencies

Greater interaction and strategic collaboration with Finance, Human Resources, and Information Technology

 © International Facility Management Association 2010 Source: IFMA, 2010



## Trend #4: Sustainability


What we know:

- Demand escalating for environmentally friendly high performance buildings
- Companies not incorporating sustainable practices will beat a competitive disadvantage
- Land available for development will become more valuable (scarce) as environmental, wetlands, and anti-sprawl initiatives take hold



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Source: IFMA, 2010



## Trend #4: Sustainability

What we know:

- Executive Order: Strengthening Federal Environmental, Energy, and Transportation Management issue 24 January 2007
- Plan that federal, state, and local governments will become more involved in policy issues and regulations related to energy efficiency and sustainability
- Millennials and Gen X'ers do not view sustainable practices as an optional nicety but, rather, an expectation



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Source: IFMA, 2010

 **Trend #4: Sustainability**

What we know:

- Pace of development, particularly in Asia, makes environmental depletion of resources a growing concern
- Shift in thinking from operating expense to total cost of ownership over the lifecycle (business case)

 © International Facility Management Association 2010 Source: IFMA, 2010

 **Trend #4: Sustainability**




The McGraw-Hill Companies  
**BusinessWeek**  
www.businessweek.com  
MAY 31, 2010

**Imagine a world**  
in which socially responsible and eco-friendly practices actually boost a company's bottom line. It's closer than you think. BY PETE ENGARDIO (P. 50)


**PLUS**  
Chrysler: Dr. Z gets a checkup

 © International Facility Management Association 2010 Source: IFMA, 2010




## Trend #5: Emerging Technology

- Technology will continue to significantly impact and influence how facility managers do their jobs, how we communicate internally and externally, and how our buildings operate
- We expect, however that technology will become increasingly user friendly and standardized



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Source: IFMA, 2010




## Where work gets done in 2010

Corporate facilities – 40%


Offsite – 20%

Home – 40%




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Source: IFMA, 2010


 **Something to think about**


“Picture a manufacturing head going to the board and saying. I’ve got a great idea. Let’s build a manufacturing plant that targets 40% utilization. That’s our goal. He would be laughed out of the room. Yet we are doing this right now in FM. It’s amazing if you think about it. I don’t think it’s going to be accepted much longer.”


Mark Golan, Cisco Systems


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 **The network is the workplace**






 © International Facility Management Association 2010 Source: IFMA, 2010




## Technology Initiatives

- Building Information Modeling (BIM)
  - Integrating platform for organizing, storing, and maintaining information about the physical nature of a building
  - Virtual representation of a facility in an electronic format
  - Primary benefit is the reduction of time spend dealing with incomplete or inaccurate documentation regarding phases of the facility lifecycle




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Source: IFMA, 2010




## Technology Initiatives

- Open Standards Consortium for R.E.(OSCRE)
  - Development of a set of definitions and protocols to facilitate seamless automated transfer of real estate and facility management data
    - Creation of interoperability among processes, data systems, and vendors within the built environment industry
    - Step towards commonality of global standards




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Source: IFMA, 2010




## Technology Initiatives

- Integrated Workplace Mgmt. System(IWMS)
  - Service Management
  - Space Management
  - Property Maintenance
  - Information Technology
  - Corporate Real Estate
- “Workplace Matters”–General Services Admin.
  - “Treat office space, workplace technologies, and work processes as an integrated system strategically designed to enhance organizational effectiveness”



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Source: IFMA, 2010




## Technology Initiatives

Significant evidence of increased emphasis on global infrastructure development


The 24/7 facility is today’s reality, not tomorrow’s prediction

24 million Americans work in jobs requiring “non-traditional” hours



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Source: IFMA, 2010




## Trend #6: Diversity in the Workplace

What we know:

- The need is increasing to bridge larger physical operating distances
- FM is now responsible for facilitating productivity and seamless workflow over various geographic locales
- Current issues include geographic barriers, cultural differences, differing workplace expectations, changing regulatory environments, and significant challenges related to demographics



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## Trend #7: Global Demographics

Facility Management is now faced with a multitude of global demographic changes related to:

- Age
- Workplace expectations
- Work styles
- Cultural diversity
- Language differences
- Education
- Gender
- Personal lifestyles




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## Trend #7: Global Demographics

- Traditionalist
- Baby Boomers
- GenerationX
- Millennials
- Prior to 1946
- 1946 – 1964
- 1965 – 1985
- 1986 – Today



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Source: IFMA, 2010




## Must Reads

“When Generations Collide”  
Lynn Lancaster & David Stillman


+

“Impending Crisis: Too Many Jobs, Too Few People”  
Roger Herman  
[www.hermangroup.com](http://www.hermangroup.com)



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Source: IFMA, 2010



## Rock the Foundation


Herman Stated:

*“The labor shortage of the 1990’s gave employers a taste of what is coming over the next few years. This decade will be even more challenging; every type of enterprise will face a critical shortage of skilled workers.” “By 2010 it is expected that there will be 10,033,000 more jobs to fill than there are people in the civilian labor force.”*




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Source: IFMA, 2010




## Trend #8: Aging Buildings

- A significant portion of our existing building stock is entering a cycle requiring large amounts of capital improvement/replacement
- Properties for which routine maintenance has been deferred are entering a stage of severe deterioration



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Source: IFMA, 2010



## Trend #8: Aging Buildings

What we know:

- FM'ers are facing the largest collection of aging building stock ever encountered
- As a facility approaches the end of its lifecycle a decision must be made whether to recapitalize it or demolish it and construct a replacement
- Making a decision to scrap a building is difficult both financially and emotionally
- Introduction of new materials and removal of materials known to be hazardous add to the complexity of FM



Source: IFMA, 2010

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## Trend #8: Aging Buildings

**News & Insights**



### TECHNICAL LEARNING HALLS OF IVY—AND CRUMBLING PLASTER

Amid a building boom, colleges scramble for funds to keep up aging facilities

**BY JANE PORTER**


Colleges are scrambling to keep up with the aging infrastructure of their facilities. As the industry boom continues, many colleges are finding themselves in a bind, unable to raise the funds needed to maintain their aging buildings. The situation is particularly acute in the case of ivy league schools, which are facing a particularly high cost of maintaining their historic buildings. The situation is particularly acute in the case of ivy league schools, which are facing a particularly high cost of maintaining their historic buildings.

**Nationwide, the repair bill could reach \$40 billion, say some estimates**



Source: IFMA, 2010


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## Aging Buildings

- Restoration
  - Addresses concerns about condition
- Modernization
  - Addresses concerns about functionality and obsolescence

The goal is to ensure that whatever decision is made, the resulting facility meets the intended requirements at the least life-cycle cost



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## Thank You !



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Past Chairman; 2004-2005  
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