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Facilities Management
New needs. New solutions?

i-FM would specifically like to acknowledge the sponsors of Workplace Futures 2012.
Facilities Management: new needs. new solutions

“FM is an essential management discipline, and a multi-billion pound business sector employing hundreds of thousands of people.”

The annual Workplace Futures conference has become a landmark in the UK facilities management calendar. The 2012 event applied the characteristic Workplace Futures triple focus on the current market situation, emerging trends and future opportunities.

Under the theme “new needs; new solutions?”, the conference was shaped around some of the central challenges facing UK FM as it begins to reach some maturity. The essence of that theme was this:

FM is a business discipline and a vast service industry. It is a simple service delivery requirement and a mission-critical support operation. Given that huge range, what does the future hold - more of the same? Or something quite different? Is FM ready to face up to the big challenges and define its own future?

A carefully selected expert panel shared their own experiences, views and insights on a range of topics around this theme in February 2012. This paper captures that invaluable material.

Facilities management is a big, diverse and maturing area of business. Tactical in its day-to-day operations, it is nevertheless closely related to - and often deeply involved in - strategic planning and decision-making at private and public sector organisations alike. Who is responsible for ensuring the workplace is clean, safe and fully compliant with all relevant legislation? Who can plan and implement the consolidation of accommodation resources; or manage the move to a new HQ in support of growth? Who knows which buildings in a portfolio are the most energy efficient and what can be done to improve the poor performers? More often than not, the answer in each case is the facilities manager.

As we emerge slowly from some of the most difficult economic times in living memory, it is clear that the world has changed for facilities management. Extraordinary change was already underway, in such areas as technology, demography, work methods and the environment / sustainability nexus; but deep recession has reshaped client needs and expectations.

FM has been a true success story over the past two decades. To continue on that path, it must continue to demonstrate understanding, flexibility and determination.
The discipline of facilities management and the FM industry that has developed to support it have both grown in complexity and maturity over the years in response to the ever-shifting social, economic and technological landscape. As the nature of work itself changes, so does the design and operation of the workplace, as do the drivers behind an organisation’s facilities decision making.

For this reason the annual Workplace Futures Conference is an important feature in the facilities management business calendar, providing a yearly snapshot of current status and a focus on emerging trends coupled with the forecasts of industry experts. After three years of economic turmoil, the talk at the 2012 event was a heady mixture of harsh realism and confident optimism about the opportunities ahead.

This buoyant mood is mirrored in the wave of positive news emanating from Asset Skills, the sector skills council that represents much of the facilities supply chain. With £5m of new funding already secured, it looks as if skills improvement will play a key role in helping to lift the industry out of recession and towards sustainable growth.

The emergence of a new generation of facilities leaders with a fresh skill set is vital as the realisation begins to set in that many of the changes witnessed in the last few years are not mere aberrations, but long-term structural change in the facilities marketplace. The facilities supply chain is having to adapt to tougher procurement and lower margins in a more mature and competitive market. Meanwhile ‘green’ issues, once fringe subjects that could be ignored or embraced according to the prevailing mood, have become mainstream features of corporate reality, with increasing legislation and regulation around energy and building design coupled with new levels of expectation and moral positioning from building occupants, customers and investors. The impact of the Green Deal and of zero carbon building designs has yet to be calculated.

Waves of change

In contrast to earlier waves of change that led to the widespread adoption of system furniture in the 1970s or open plan offices in the 1990s, the demands on today’s facilities managers are unlikely to be addressed by a simple redesign. They may require a more fundamental rethink of the real estate and facilities paradigm, taking a more strategic view of organisations’ operational needs.

This cannot be achieved without appropriate levels of business intelligence and the knowledge and
the facilities industry in the UK is a huge success story; but we must embrace change as we have done before.

In the corporate world, this convergence of real estate and facilities functions has already happened at the most senior levels. However, within the facilities supply chain, our CAFM systems, outsourcing models, property tenure and workspace design have all been slower to adapt to these new demands.

One area where this has been evident is in the international FM market. Globalisation is arguably the most important factor currently shaping the world economy. Although it is not a new phenomenon, the changes it is bringing about now occur far more rapidly, spread more widely and have a much greater business, economic and social impact than ever before.

While businesses are increasingly comfortable operating in a cross-border manner, the number of facilities service providers able to match this capability is still constrained by the difficulties of different language, market conditions and regulation. As a result, competition is less intense than in the domestic market with just a handful of major players challenging for some very large international contracts.

These big deals seem to be mostly driven by global procurement teams whose appetite for bargain prices through ever increasing economies of scale often falls at odds with the more informed service-led requirements of their internal clients. In the UK market, such tensions have contributed to a commoditised view of some services with more focus on price than value and an inevitable deterioration of relationships between suppliers and their clients.

New realities
Evidence seems to show that the service providers who are achieving the most consistent levels of success in the current market are those who are embracing the new commercial realities and competing robustly for each opportunity while developing an ever wider range of value-focused service offerings.

Communicating this value effectively and consistently while developing strategic customer relationships in a spirit of honest entrepreneurship is proving more successful for both large and small businesses than the more adversarial style being pursued by some contractors who are resorting to claims and counter-claims in an attempt to claw back margin ground they feel they have lost in the economic fallout of the 2008/9 recession.

Despite all this change, communication remains the most important competency in the facilities manager's armoury, and tried and tested techniques for engagement, collaboration and trust must be incorporated alongside the use of new communication technologies and the growing power of social media.

This year's conference saw the debate open up far beyond the hall as facilities professionals around the world followed the proceedings on Twitter and Facebook, asking questions and making comments throughout the day. While some contributors to the debate described FM as 'fractured' and 'dysfunctional', I was personally encouraged by the quality of the discussion.

The facilities industry in the UK is a huge success story, delivering continued growth right through the most difficult economic period of our times. It is clear that things are not going to ‘get back to normal’: the rules of engagement have changed forever, and we must embrace change as we have done before.

The FM supply chain must respond to changing customer needs, new communication challenges and to the new market landscape. If we do, then FM will continue to deliver real value to government, society and business in the next five years and beyond. The evolution will continue, but FM is by its very nature a fluid and dynamic discipline and the future looks pretty good to me.
We have come a long way since Dr Gro Harlem Bruntland published a report called ‘Our Common Future’ for the World Commission on Environment and Development. This set the agenda for sustainable development and was shortly followed by the 1992 Rio Earth Summit which gave us the phrase ‘Local Agenda 21’. We have come a very long way in the last twenty years - but where do we go from here?

The British government has to respond to many European Directives and we have our own UK law to follow, too. Much of what needs to be done is outlined in government policy documents. The European Energy Performance of Buildings Directive of December 2002 put many of our current policies in place. The Directive was re-cast in May 2010 and is often referred to as EPBD2. These documents mandate that we look at calculating the energy and carbon performance of buildings and have guided us towards performance-based design. In essence, if we do not design low energy/carbon buildings, they will not be built. All of this supports the UK Climate Change Act of 2008 which set us legally binding targets to reduce carbon dioxide emission by 80% over the levels in 1990.

UK policy on sustainability is changing rapidly with new documents and guidance coming out almost weekly. In the summer of 2011, we saw the Low Carbon Construction Action Plan launched which promotes the concepts of ‘whole life carbon’ and the use of building information modeling, or BIM.

Yet, sustainability is not just about energy and carbon. It covers resource efficiency and we are learning to do more with less. We all need to embrace the fact that we need to use less oil, gas, water, steel, aggregates, copper, timber, etc. Sustainability has to do with living within the planet’s resource system. This has become much harder as the world population has increased and continues to rise. In addition, living standards have risen across the globe and those in developing countries are demanding equivalent lifestyles to those in the richer nations.

With the new financial pressure being experienced in Europe, I believe we should really be embracing the challenges outlined in the Stern Review on the economics of climate change. To have a real future, we must promote occupant behaviour that embraces living within the limits of our planet – often referred to as ‘one planet living’.

Focus on buildings in use
It is becoming clearer that our focus needs to be not just on buildings with low operational energy. It must also be on the design of low embodied energy/carbon buildings, on how well we maintain our buildings and on how we occupy and manage our building stock in a sustainable way.

In August 2011, the government published the document ‘Enabling the Transition to a Green Economy: government and business working together’ which sets out where we need to go from here. In December 2011, governmeent set out ‘The Carbon Plan: delivering our low carbon future’ which can draw upon powers in the New Energy Act 2011 published on 18 October of that year.

Sustainability: where to from here?
"Our focus needs to be on how well we maintain our buildings and on how we occupy and manage in a sustainable way"
“one thing is very clear for all of us: we must learn how to keep new buildings performing as intended and work hard at improving the existing building stock”

To this end in the built environment, planning policy and Building Regulations are continually changing with a major review underway now to come into effect next year (2013). Planning for climate change is now commonplace, and designing with attention to maintainability and flexibility is now seen as extremely important.

Delivering results
We must deliver on cutting our emissions from all housing stock and the non-domestic building stock. We need buildings that are better maintained and continuously commissioned. Systems such as the Soft Landings Framework for better briefing, design, handover and in-use building performance have made people think about post-occupancy evaluation, evaluating how buildings actually perform from a comfort/well-being perspective as well as an energy/water consumption perspective.

We have targets to achieve zero carbon buildings by 2019 set by our government and, following EPBD2, a requirement to have near-zero energy buildings by the end of December 2020. To help with this change, the steel sector funded a three-year research programme that investigated how zero carbon buildings could be achieved today. The project was called Target Zero. This was funded by Tata Steel and the British Constructional Steelwork Association (BCSA) and the findings are published online (www.targetzero.info). Five reports are now available to download from the Target Zero website, covering schools, warehouses, supermarkets, office and mixed use (hotel) developments. Each report covers three key areas: operational carbon, embodied carbon and how to achieve BREEAM ratings of very good, excellent and outstanding. The findings are fully costed and use marginal abatement cost curves to identify the most cost-effective carbon savings.

Looking forward, as technology advances and the cost of renewable energy declines through cheaper solar thermal panels and photovoltaic cells, the tough challenge of zero carbon becomes easier to achieve. This future will embrace the proposed Green Deal and pay-as-you-save mechanisms, although precisely how the Green Bank fits in with other government incentives, such as the Feed in Tariff (FIT) and the Renewable Heat Incentive (RHI), still needs to be explored.

Nonetheless, one thing is very clear for all of us: we must learn how to keep new buildings performing as intended and work hard at improving the existing building stock. The existing stock must be refurbished, seeking to bring it into line with the near-zero energy philosophy. Clearly, if we are to maintain and improve building performance through the fine-tuning of our building systems, then the role of facilities managers must become increasingly important.
Facilities Management: new needs, new solutions

4 Beyond FM: meeting the sustainability challenge

It may be that the only people who care about the future of facilities management are those in the facilities management industry. There is certainly neither proof nor reason that our clients much care about how our services are described, packaged or formulated. For them, all that matters is output: what do we contribute to their organisation’s objectives and the ability to deliver its core services?

And so for any discussion about the future of FM, we risk talking only to ourselves – a most self-indulgent and dangerous behaviour which could lead to us forgetting that our customers are, and always will be, our raison d’être.

The customer perspective

Let us therefore consider not where FM is going, fascinating as that discussion might be, but where our customers are going and where there might be an opportunity for FM to go as well. In doing that, I don’t want to lose sight of the great changes that have been made to move what we do from simple single service propositions towards an integrated service offer.

But it is worth challenging some of the assumptions that have arisen in the last five years or so, which I believe have created an artificially limiting set of options for clients. For example, it seems to be widely held that these are mutually exclusive alternatives:

- Workplace management vs facilities management
- Tactical delivery vs strategic contribution
- Operational stability vs service development
- Risk minimisation vs value add
- Local vs international sourcing
- TFM vs single service
- In-house vs outsourced provision.

In fact, I believe these are simply poles on a broad axis of options available to service users, and that in practice the vast majority of organisations use combinations of these factors from different sources at different times to achieve their objectives as operational circumstances change and their challenges develop. The only ‘wrong’ answer, I suggest, is in being too wedded to any one of the above options – which is why we believe that intelligent independent advice is needed to help frame decisions on how to obtain FM service delivery.

By this point, you may be wondering what any of this has to do with sustainability. And the first response is that, if the FM industry is to have a sustainable future, then we need both to foster a more flexible set of offers from the supply chain and to encourage our clients to be less prescriptive in the models they adopt, making their choices on the basis of informed options, not ‘one size fits all’ solutions.

More fundamentally, though, the FM industry does have a serious problem. Its services are being rapidly commoditised – the value add driven out, often because benefits of integration have not been demonstrated, or perhaps because some parts of the supply chain focus on ‘service delivery solutions’ and not on the management elements of facilities. Clients too are culpable in not obtaining the best outcome, by consistently seeking the cheapest solution rather than the most effective option and by engaging in short-term relationships which detract from the ability to gain understanding of an organisation’s needs and strategy.
Whoever you think is responsible, the basic facts for the FM industry are undeniable: margins and profits are being driven down, relationships are short and change too often, and our collective value proposition is evaporating – cost cutting and cost control is what we offer, and rarely more than that.

From sustainable to responsible
And so, eventually, we come to sustainability. I believe that in most organisations the delivery of sustainable goals is achieved through the FM activity. Although most organisations are focused at the moment on carbon reduction, where the facilities manager's ability to drive reduction in energy consumption and to source low carbon materials is vital, carbon is obviously only one part of a sustainability programme. Again, facilities managers often have the key role to play in formulating and delivering policy objectives: our skill set and motivation, along with our pivotal position in organisations and our long-standing commitment to reducing waste gives FMs a unique opportunity to be the leaders in this activity.

However, I have argued before that there is more to this than just sustainability: a large part of the corporate responsibility agenda can be discharged by facilities managers. If you think that is fanciful, consider how closely our combination of People, Place and Process mirrors the Triple Bottom Line.

Imagine, if you will, that we take off the blinkers that we have created for ourselves by talking about facilities management. Think not about what we do – forget cleaning, security, catering and maintenance. Forget offices and factories and shopping malls and so on. Rather, concentrate on the skills and processes we employ, the strategic planning that we do … and apply those to the planet.

Doing that, imagine us as stewards of the planet – at whatever level we actually work, just think of what we do as being about helping our organisations to act responsibly, towards all stakeholders and towards the world we inhabit, while still contributing towards commercially or economically viable operations. We can, if you like, call that responsible management. And I suggest that facilities management as an industry, profession or discipline (as you prefer) is uniquely placed – with the processes, skills and commitment – to deliver responsible management techniques. That opportunity, to seriously add value to our organisations and create a truly sustainable operating model for them, is one we believe that our industry must embrace if it is to have a future of its own. And while the future of FM itself may not matter to our customers, what we can do for them should – if we work together to articulate it.

"while the future of FM itself may not matter to our customers, what we can do for them should”

Figure 1: The IFMA definition of FM

Figure 2: The Triple Bottom Line

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Facilities Management: new needs. new solutions

Volatility in the global economy, generational shifts in the workforce, rapid evolution of technology and the ongoing and increasing commitment to sustainability have collided—and the result is a significant impact on workplace environments and real estate strategy.

The economy
The uncertain global economic climate has forced companies to emphasise efficiency in managing real estate holdings more now than ever. And this combined with the impact of globalisation means that workplace thinking has generally shifted from a single-site approach to a portfolio-wide approach.

Single source procurement features prominently in current global real estate strategy, whilst regional differences pose challenges to how the workplace must accommodate the different needs across a variety of geographies, cultures and global economies. The key is finding a balance between standardisation and cultural identity, and not imposing a ‘cookie cutter’ solution across the portfolio.

Cost per square foot continues to be the primary performance metric for real estate, with square feet per employee and percentage of vacant space following closely. As one might expect, in the current climate trends across global portfolios tend towards consolidation strategies. Facilities managers are finding themselves asking whether they should relocate or stay put when leases are coming to an end; they are looking at subleasing options for excess space and working out how downsizing can make enough difference to the bottom line.

Gensler has defined six basic real estate options for companies looking at consolidation strategies:

1. Stay & pay - Should we just leave the space the way it is and ride out the cost?
2. Relocate - Is it possible or even smart to move?
3. Compress & dispose - Could we fit in less space and get rid of the extra?
4. Compress & save - What if we darken space and eliminate services to it?
5. Compress & sublet - Could we fit into less space and sublease so that we could pick it up later?
6. Enhance the environment - Could it make our people more effective, compensating for increased real estate cost?

Generations in the workplace
For the first time we are seeing almost equal ratios of men and women in the workplace and a broad generational diversity, with three generations often co-working and sharing the same environment.

The Boomer generation comes from a background where the core value of hard work is upheld and respected. As would be expected, they are often in positions of power and are most likely to hold the traditional ideals of hierarchy of space. However, when surveyed 87% still voted in favour of a flexible workplace with an element of mobility.

Generation X was brought up to value independence. They are the ‘latch key kid’ generation and, as such, a mobile work environment comes naturally. They adapt well to change and have engaged with the rapid developments in technology over the last 20 years. They are resourceful and self-sufficient, and work to live rather than live to work. Generation X workers attach importance to human interaction however, and are happier engaging face to face. Nothing beats a lunch.

The Millennials (or Generation Y) are the fastest growing segment of the workforce. They are technology-driven, not remembering a time without the internet. Their preferred communication is digital and the concept of a work–life balance, antiquated. Millennials aspire to a ‘bring your own device’ work-life blend.
Workplace utilisation
Since 2005, Gensler has been conducting surveys of US and UK office workers to determine how the workplace environment affects their productivity, creativity and attitudes about work. The 2008 survey was an in-depth look at work mode drivers, seeking to understand in detail the activities people engage in to get work done and the spaces needed to support them.

The research indicates that activities in the workplace - work modes - can be grouped into four key elements: focus, collaborate, learn and socialise. These work modes provide a framework to identify the ways space is used and allocated.

Through this understanding of how people work, organisations can harness the power of the workplace to support their highly valuable workforce, drive innovation and advance their business objectives.

Our surveys concluded that top-ranked companies have better designed workplaces than average companies and that the design of the physical work environment is strongly linked to business performance. Companies with higher profit growth had the highest number of survey respondents who were satisfied or highly satisfied with their physical environment.

When conducting the research we also found that often as much as 50% of the time people are not at their desks. This fact has led many companies to realize that 1:1 desk ratios leave them with an under-utilised office, often with large areas of space without people. To leverage space and make it work harder, companies are implementing mobility schemes to increase space utilisation and also, more importantly, space effectiveness.

Forward-looking organisations are investigating mobility strategies at a global level and focusing on how their workforce uses its space. A mobility strategy is not simply a few employees working from home from time to time. It’s a fundamental change in work practice.

Technology
Technology is without doubt the primary factor leading the change in the way we are able to work. An age of computers has removed vast amounts of clerical processing from the workplace. The move from CRT to flat screen monitors opened up the possibilities of bench working, and the move to mobile devices and wireless networks provides the opportunity to release us from the desk completely. Flexibility is key now, with spaces designed for rapid reconfiguration. Mobile video conferencing technology is also changing the landscape. Where previously companies would invest in large expensive telepresence set-ups, smaller flexible environments can be used in conjunction with mobile devices.

Sustainability
As long-term proponents of sustainable design, we know that a sustainable approach produces results that matter to clients: reduced energy and operating costs, brand advantages, longer property lifecycle, enhanced human performance and overall better quality of life. We also know that increasing government regulations and corporate social responsibility requirements will keep pushing the boundaries, forcing us as designers to think ever more creatively.

To conclude, we are on the brink of an exciting new shift in the way we think about the workplace. Developments affecting both real estate strategy and workplace environment will see the office change dramatically - however, we believe in its new and evolving form it will remain very much part of the fabric of our working lives for quite some time yet.
“FM service providers can play a decisive and positive role”

The facilities management sector faces a period of significant change with increasing economic and environmental pressures. There has been a dramatic increase in global consumption and carbon emissions which is having a detrimental effect on the planet. There are shortages in base products such as water, energy and primary materials with subsequent increases in costs, along with the implementation of tighter governmental controls and standards.

In the UK, this situation is exacerbated by ageing building stock, constrained building fabric and inefficient use of space. Customers are looking to the FM industry to provide cost-effective solutions whilst also improving on service quality. It’s a challenge where FM service providers can play a decisive and positive role, especially when they are embedded within customers’ organisations. By suggesting, implementing and encouraging adoption of energy-efficient practices, technological improvements and alternative ways of working, FM companies can help clients reduce their dependency and expenditure on energy and other costly resources, safeguarding profitability while meeting environmental targets.

Assessing requirements
There is no ‘one size fits all’ answer and each building and customer requirement should be assessed individually to determine the best overall integrated solution. This solution may require a team of multiple suppliers and technology providers in order to collaboratively draw on their individual expertise. The FM provider is ideally placed to deliver this to the customer in a hassle-free integrated offering. To ensure this is provided efficiently, sustainably and cost-effectively, it is important to consider the whole supply chain. For example, at EMCOR UK we are working with Action Sustainability to implement a new British Standard, BS 8903, for reducing waste in the supply chain.

The introduction of new technologies and working methods is not enough on its own. To ensure new ways of working are successful, it is essential to gain buy-in from the outset, and building users should be educated and involved throughout the process. This is an important step in behavioural change: without the cooperation of building occupants, new processes and schemes can fail.
Learning from the pioneers

Although some organisations are beginning to adapt and change the way they work, others are already showcasing buildings of the future within their portfolio.

In the UK, KPMG is setting the pace with their new office development in Canada Square, London. Here employees work within an open plan, non-assigned desk environment, with a range of alternative areas for individual output and collaboration. Combined with practices such as smart metering and lighting linked to available daylight, this innovative approach to building utilisation has resulted in a 40% reduction in energy consumption and a 50% reduction in carbon emissions.

The building is 400,000 sq ft with an occupation of 5,300 people. It is focused on providing quality space to maximise collaboration, teamwork and individual effectiveness. Ian Tew, Head of European Workspace, sees his role as ‘minimising peoples’ downtime’, not just running the facilities. What is really admirable is that the KPMG workspace and facilities team does not plan to stop there: they continue to challenge workspace utilisation and are working to achieve 50% non-assigned desktoping and a 50% reduction in their carbon footprint.

It would seem that FM is changing across the world. Facilities and cities are being designed and built to meet the future shortages in energy and base materials. In Abu Dhabi, the world’s first fully sustainable city, Masdar, is in development and has the target of being totally self-sufficient. The aim is that Masdar will provide the highest quality of life and work environment with the lowest environmental footprint. It will utilise cutting-edge R&D pilot projects, advanced technology and materials, and revolutionary sustainable construction. It will be a ‘smart city’ with sustainable power generation and sophisticated tools to monitor power, water and CO2 generation. Six buildings have been completed so far in this 6 km² city which is expected to have 40,000 residents and 50,000 commuters ultimately.

Another example that shows the possibilities of such advancements can be found in Songdo, South Korea, where the largest private sustainable real estate venture in history is taking place. Measuring 6 km² in size, and built on an artificial island 56 km west of Seoul, Songdo will utilise the best technology available and will include transport control hubs, wireless technology, telepresence screens, public communication systems and smart number plates. Songdo will be a fully wired intelligent city with the ability to regulate and produce energy to fulfil its own needs. This will include the implementation of rooftop vegetation, home waste removal, segregation systems and home energy generation systems.

Demanding more

As you will see from the above examples, change is already taking place - and the frequency and extent of this is sure to increase in the coming years as communities and organisations begin to realise the overall benefits of such developments. The services of today will not be the services of tomorrow. There have been many developments including self-clean materials, photovoltaic energy, improved diagnostics, remote monitoring and control, wireless technology and anaerobic digestion of waste for energy. These improvements will lead to less waste, greater productivity, improved employee satisfaction and decreased costs, and this is merely the start!

It is imperative that the FM industry remains on top of technological developments and evolutionary ways of working to ensure that we stay competitive. Customers will soon be demanding more, and cutting costs - along with a higher quality of service - will no doubt be on the top of their agenda.

Not only do FM companies need to be aware of these new developments and customer demands, but they also need to ensure employees are up-skilled to maintain and operate the new systems and buildings of the future. It is unclear how quickly these developments will occur, but it does pose the question ‘are we ready for the change’?
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There is no doubt that software enables facilities management processes to become more streamlined. Experiencing a surge in popularity over recent years, FM and workforce management software packages (outside of CAFM) have not only become a tool through which an organisation can gain greater control, but are largely seen as a staple strategic element in ensuring optimisation of a business.

Fundamentally, the goal of technology in FM is to help management and operations to deliver the best possible service at the least possible cost. We would advocate investment in technology to increase profitability through working more effectively – but we also caution organisations to take the time to properly evaluate the specific needs of the business before jumping onto the promises offered by new technology. It is essential to view this as a long-term business investment rather than a quick-fix remedy.

Preparation is critical
Considering what software would best suit your business and fathoming out exactly what this software does and what it will actually deliver can be confusing. Similarly, not understanding what each stakeholder will gain from the investment is a sure-fire way to making a bad decision. Everyone, from the board to the frontline teams, needs to gain from the investment – something that is too rarely understood, and as a result, the workforce (who are often exposed to the technology on a daily basis) don’t buy-in and the system either fails totally or fails to deliver its true value to the organisation.

The regular users are the key to success. We have been involved in a number of projects where an organisation has tried and failed because they simply didn’t engage properly. Add to that the cost of purchasing and implementing a new software solution, and all of a sudden it becomes a daunting, time-consuming and very high-risk prospect. In a busy world where time is valuable, it may be tempting to skip this initial phase of research and stakeholder engagement – but don’t ever be tempted to short-cut this part of your journey. It is vitally important that this groundwork is completed to ensure that your business is investing into a software solution that will actually make a positive difference to the way that you are working.

The other key message is that there is no one solution out there that will match the exact needs of a company. To pick a software package off the shelf and see everything change overnight is not something that is going to happen – especially if you have no concrete idea of all the problems that need rectifying or the objectives that need satisfying by the new technology. Many evolve or get created with the new solution. Know what you want to happen: define what your company sees as being acceptable and what needs to happen for the company to be exceptional… and then begin your search for a software solution based on this information. Manage on the outputs, not the inputs.
Once a business has realised its need for a software solution, justifying the cost of implementing a new system is the second hurdle for organisations looking to find a more efficient way of optimising workflow and sharing and obtaining accurate management information. Understanding how increased efficiency and tighter processes will reduce your largest costs is the cornerstone to any business strategy that aims to save costs and optimise workflow. For instance, payroll comprises a huge part of the overheads for any service-based business. Such companies have to tread a fine line between paying an attractive salary to their employees and remaining competitive for their clients. For companies whose employees tend to operate at the lower end of the remuneration scale, salaries and benefits are often as generous as they can be, but are not too different to the minimums set out by government legislation, removing any scope for efficiency savings in that respect. Where margins are tight, it becomes even more critical for service providers to minimise any unnecessary costs. As payroll is the largest expense item, managers need tools to ensure that ancillary costs are identified and reduced or even eliminated. Knowing how much money can be saved through tightening up on this process, as well as other areas where money is easily haemorrhaged (staff absence, unpaid invoices due to ill-planned or incomplete work, as examples) would provide a sufficient case for investment in a software solution.

Getting buy-in
Once an organisation has completed its self-evaluation, researched the software options that could be implemented to satisfy the objectives and identified the areas where a software solution could be best applied to save costs yet increase productivity, the final challenge is to ensure that the business as a whole is truly engaged with the new technology. Unless this is done successfully, any new way of working will not be whole-heartedly adopted, the technology will not be used properly and new procedures will fail, often immediately.

Technology is indeed a critical tool and investing in software that increases business productivity is always a good bet; but with the above information in mind, it is important to not rush out with the company credit card just yet.

Progressive organisations are making their technology decisions with a focus on processes, so deliberation as to what the software allows you to do rather than the features of the software itself needs to take place – be careful not be blinded by the promise and understand what it is that your company actually needs.
Facilities management as a discipline has grown and developed successfully over the last 25 years or so. It is now a recognised component of the ‘shared services’ infrastructure of the enterprise value-chain. In my view, however, it has reached a crisis point in its evolutionary path.

Two significant drivers have caused this – the massive economic and societal changes the world is currently experiencing, and the rapidly diminishing shelf-life of the current FM value proposition (now 20+ years old).

A tired proposition

If you take a look at the websites of the current FM service providers in the UK you will soon realise that, for the most part, they are all saying the same things. The words that occur over and over again are ‘reduced costs’ and ‘improved efficiency’. The industry has been saying - and selling - this for decades. The problem this causes, however, is that cost (or investment) and process efficiency are a means to an end, and not the end or outcome itself. As an industry, FM therefore has not been selling the value it brings, but has backed itself into a position of being an increasingly marginalised commodity, with the wafer-thin profit margins that goes with that.

If the industry is to have a bright future, it needs to change itself and quickly.

A new story

There are arguably lots of areas and issues around which the FM industry needs to re-invent itself. Here are a handful of what I think are the more important ones:

1. Workplace: 12/1.3/80

These three numbers need to be remembered and understood. They describe where the best workplace leaders are headed in terms of average occupancy efficiency across their office portfolios:

- 12 sqm (net internal area) per workspace
- 1.3 supported occupants per workspace
- 80% utilisation per workspace.

There is little doubt that matching the design, configuration and use of office workspaces to the ways organisations are now working is increasingly becoming mainstream. The significance of these three numbers is perhaps greatest when reflecting on the potential impact they have in shaping organisational culture, communities and work patterns. But in these economically stressed times, the scale of possible cost reductions they embrace cannot be ignored either. If your existing numbers are 20/0.8/50, then moving to 12/1.3/80 represents a staggering 63% improvement in efficiency.

2. It’s about people first, then real estate

Following on from the march of the truly flexible workplace, as organisations become more complex and dispersed, the strength of community and a strong cultural identity become increasingly important and acts as glue to bind people together. This relates directly to a need to see the FM role from a different perspective. It is no longer exclusively about bricks and mortar, buildings, facilities or financial assets; rather, it is about people as well. The space is provided for people to
undertake value-adding activity in, either as employees or customers. A primary focus therefore needs to be on understanding what those people really need and how they will relate to it.

3. Coordinator to integrator
FM outputs involve bringing together the deliverables from many separate service sectors into a cohesive working or customer environment. For many years we have done this reasonably successfully through the coordination of these otherwise siloed components – with a thin veneer of management across the top. We seldom truly integrate them, however. When we figure out how to integrate these resources and competencies into new end-to-end service propositions, we will take a big step forward.

4. Beyond service to experience
For an industry that still too often doesn’t get the basics of service right, moving on to the next step might seem ambitious. But the world is moving on, and we need to keep pace. Increasingly what differentiates and wins new customers is the experience you create. This is true of the workplace, too; and the good news is that it doesn’t need to cost much, if anything. In my experience, great customer experiences start in the mind of the deliverer through their attitude. Throw in a reasonable amount of innovation and creativity, and it is amazing the impact that can be made.

5. Innovation
As an industry we talk a lot about innovation, but in truth we don’t do much about it. In the future, though, we will have to. If nothing else spurs it on, we can rely on the incoming generation of workplace users to demand it. While most of us reading this article can be considered to be digital immigrants, the new generation is made up of digital natives. Furthermore, they have access to unparalleled knowledge sources. The incumbents of the FM industry must overcome any inertia or misinformed comfort zone, and align migratory digital skills to these vast knowledge resources and their one big advantage – experience. And the change needs to be both structural (innovation process, systems and investment) and cultural (behaviour).

6. Differentiation
What do you want your customers to remember you for? What makes you stand out from the crowd? Achieving differentiation will become increasingly important over the next decade. Key to this will, for many, be a change of perspective, away from emphasising what they do and replacing it with a conversation around what they achieve.

7. From cost to value – our new story
In my view we need to make the next 10 years a decade of value, not cost. FM needs to demonstrate the positives about what it produces, and not merely the reduction or removal of negatives. If we can focus more on our benefits and outcomes and collect the evidence to prove them, our message will become far more compelling. Let’s talk about tangible value we add, rather than just the cost we avoid. Perhaps then our relevance and significance to the enterprise and its leadership will be transformed as well. It needs to be!
2020 Vision is the BBC’s response to the challenge of matching accommodation needs and resources, together with getting both strategy and implementation right.

Designed as a long-term vision for estate transformation, the 2020 Vision process is now well over half way – and we are successfully delivering on its goals.

The process aims to bring the BBC’s property portfolio into line with the Corporation’s strategic objectives of becoming a more open organisation and one that has a better engagement with its audiences. The property and facilities contribution to this lies in reducing the scale of the estate and improving the quality of the accommodation. This is a forward-thinking strategy which identifies ways in which the BBC property estate can become more appropriate to a rapidly evolving BBC.

This vision is being delivered through a combination of significant rationalisation and efficiency measures involving acquisition, new development, refurbishment and disposal transactions. The BBC had built up a large estate over its history and this programme aims to reduce that by more than 30%. This will release capital back to the BBC to fund program making. Alongside this, we have completely revamped and streamlined our entire supply chain into a cost-efficient and focused team with a small number of strategic partners.

The strategy to deliver this vision is based on five key principles:

- **Flexibility**: property must not constrain the BBC’s freedom to change
- **Technology**: property must be able to cope with technological needs of the future without expensive reconstruction
- **Talent**: accommodation must offer attractive working conditions, in a competitive market for talent
- **Audience**: as we are funded by the licence fee, our buildings must welcome the public and link with communities
- **Cost**: strategies must help the BBC save money.

**Status at March 2012**

We are well underway in delivering our vision with a number of major projects either complete or in the final stages.

After one of the most challenging and ambitious construction projects ever undertaken by the BBC, the W1 project is now open for business and partially operational. We have started the move-in process – World Service is leaving its historic home in Bush House and the first battalions are now broadcasting to the world from their new home. BBC News will start their move from Television Centre later this year.

New Broadcasting House, as this site will be known, is a complex project, not least due to logistical problems of being in the city centre, the Grade II listed status of the original building and the fact that two tube lines run directly underneath it – not to mention the challenge of bringing together such a diverse group of BBC activities. On completion it will mean that for the first time all the BBC’s national and international radio, television and online news services will be under one roof. Through creative and collaborative thinking on technologies and resilience, New Broadcasting House has provided a much more efficient and effective use of space, providing big savings for the Corporation.
Another success story helping to drive us closer to achieving our vision is mediacity:uk. Approximately 2000 BBC staff are already working from this new centre in Salford, including 6Music, Children’s and Sport. Staff moved from the BBC’s old home in Manchester, Oxford Road, which was then subsequently sold. In addition, a large number staff moved from Television Centre in London.

Mediacity:uk has successfully provided a highly visible BBC centre for audiences and visitors and a flexible and effective place to work, as well as establishing a creative hub in the north of England.

Along with these large projects, there are a number of smaller projects which involve exiting leases and selling freeholds, where possible, in order to consolidate the BBC into more efficient and effective hubs.

However, collocating teams does not necessarily automatically produce efficiencies. We have to encourage people to work in new ways in order to use less space, to share technologies and to work collaboratively.

The way forward
A number of challenges face the BBC, and it is these that lie behind the need for this estate transformation. We need to achieve 20% cost savings in a constrained economy and property market. In order to do this, we need to substantially reduce the space we occupy. At the beginning of the 21st Century the BBC estate exceeded 600,000m². We’re committed to reducing this by 175,000m² by 2017 (including Television Centre), which is a reduction of approximately 30%. By 2020, we will attempt to reduce this by a further 100,000m², leaving us with 315,000m². This is almost a 50% reduction overall.

To achieve these targets, projects are required which involve moving large amounts of people and technology, encouraging people to work in new ways - and, of course, as we are a broadcasting company, we need to do all of this while ensuring we stay on air.

These are not just property projects. They are transformational programmes that enable new ways of working. The key to successfully delivering them is the introduction of flexible working to foster workplace efficiency, together with proactive portfolio management.

On the first point, workplace efficiency, we are moving the BBC from having one workstation for every person to having one workstation for every 1.3 people. We will aim to increase this further to 1.5.

On the second point, proactive portfolio management, there will be no net additions to the BBC estate. The key driver in the future is rationalisation and in order to have a smaller estate, this needs to be managed proactively at an estate portfolio programme level, rather than as individual workplace projects.

We are already well underway in delivering on our aims and will continue to learn lessons from previous projects, as well as seeking innovative solutions to drive forward and achieve the BBC 2020 Vision.
The images being presented to us across our media, on an almost daily basis, depict a world where chaos, in one form or another, is now the norm. From the Blackberry-transmitted Arab Spring to stark images of a five-year long austerity-fatigued Greek population, the images tell us all that the world is going through unprecedented and almost certainly irreversible change.

The recessionary pressure delivered globally by these austere times has impacted extremely negatively on the values and behaviours of procuring customers in the engagement of future supply chain partners and has seen them retreat to the behaviours of the 1990s where contracting was cost focused, adversarial and characterised by little value for customer or supplier communities. In what many call the ‘Information Age’ we appear to have learnt nothing.

We are an industry that knows the cost of everything and the value of nothing. The rise of the cost-cutters

Too many procurement exercises are held for invalid or inappropriate reasons, carried out by direct and indirect agents with vested interests in outcomes which all too often defeat the strategic intent. Every low economic cycle will see a rise of independent ‘expert advisors’ or procurement specialists with a track record of reducing costs and invariably damaging business outcomes, souring relationships and undermining the very trust we all seek to foster. Too frequent are the stories of customer contactless projects, with inaccurate and scant information; outlandish risk transfer aspirations; site visits on roller skates; three weeks to bid. However, it is the rise of the web-based procurement exercise which has the most damaging effect on outcomes.

We are an industry involved in the management of customer assets and resources. We should be driving value through our customers’ core business, adding demonstrable value to their business outcomes. Is this transformation of inputs into efficient outputs achieved through the sophisticated method taught in management training programmes? Have we taken the inputs and transformed them incrementally into agreed outputs for our customers who are now operating on a global performance datum? Or are we merely doing as we are told?

We are practitioners of a management discipline, irrespective of its prefacing noun, within which the values, behaviours and actions of our respective teams should be focused on the generation of management information from which sound management decisions are taken and value is demonstrated. How have these requirements been captured in recent procurement exercises? Is appropriate consumer time made available to discuss the achievement of new world outcomes?

The advent of mechanisms such as BS 11000 will undoubtedly help; however, their introduction and immersion as the ‘standard’ is some way off, and it will take a very brave person to introduce such mechanisms against the current economic landscape. And can we blame them? Our industry has not demonstrated itself as a trusted partner.

Indeed we must challenge whether we as an industry are ready to engage with our customers on these intellectual levels with the maturity and objectivity required for successful outcomes; or are we content to continue to play the abhorrent game of arbitrage?

In seeking to break the chicken/egg conundrum we must consider whether any customers are brave enough to embrace the challenges of structure and function, process and procedure and we must encourage them to ask, are we the best organisation to provide this function/outcome with these processes and procedures, and if not, how do we find the right organisation that is?

The wrong argument

A huge amount of time is invested in the parochial arguments of how we should or should not bundle services in the achievement of value, or navel gazing into why our profession is not regarded more highly. If this effort was channelled into the appropriate definition and construction of procurement processes which would identify common objectives, risks and opportunities, the business outcomes for our customers would be transformed.

Paul Crilly
All too often the process of procurement is seen as the panacea to a wealth of organisational and procedural weaknesses that have resulted in inefficient and ineffective service and that have failed to be addressed by successive management teams hamstrung by politics and tradition.

New models
We must be clear that in the brave new world, governed by global competitiveness and exponentially increasing information demands, there is no place for these behaviours. If you are a service provider waiting on change, the waft of air on your shoulders is those agile organisations that have realised this, sought to engage and challenge customers, breaking down barriers and transforming outcomes, as they run past you. They are not waiting for you.

Whilst the bulk of our industry is engaged in parochial bundling strategy discussions, some disruptive forward-thinking theories are being introduced. The advent of mutual organisations within mainstream contracting will present major challenges for businesses whose previous employee relations experience was more defensive than proactive, who struggled to consider them as a stakeholder and would never have considered them as shareholders. Mutuals are not new and we have a lot to learn from this mature sector where total income is around £90bn annually. The combined service provider My CSP is a real example of the serious intent of the UK government to deploy this mechanism, and with a long-term funding challenge stretching years into the future this disruption is here to stay. No doubt other derivatives of these models will also be introduced as the private sector works out how to extract value from such concepts.

A notable feature in the aforementioned chaos is information transmission. In the future, these information technologies will revolutionise our industries. For a sector just starting to use its CAFM as slightly more than a helpdesk and its BMS as more than a time-clock, we have some evolving to do. There is now little excuse for a lack of workforce connectivity and information availability, save for the one where the procurement managers seek to remove these investments ‘as a saving’. We must embrace game-changing technologies and embrace the personnel who use them instinctively for the betterment of the outcome. Too many people are only too willing to cite data protection or intellectual property rights as barriers to implementation. Whilst we must be closely mindful of adherence to this legislation, approached appropriately they are not barriers to achievement of real efficiencies. For those who wait, the internal financial stakeholders have some powerful tools at their disposal.

Data analytical tools are already offering customers data mining capabilities unavailable only a few short years ago, and these will drive our behaviours going forward. As an industry we cannot wait for Auditor Co. to tell your customer that Crilly Plumbing also does electrical work for you but you have coded it incorrectly. In a world where traditionally the FM budget has been the default destination of unknown costs, or project completion gap funding, clarity is coming.

Radical overhaul
As we see our world evolving before us, we must rise to the challenge of maintaining our competitiveness against the new global datum. We must challenge the organisation and function of our customer as an entity and establish our rightful place within that organisation on equitable status. It is difficult to see how we can achieve this without a radical overhaul of why, when and how we procure our services.

The future presents a world with greater customer/supplier/community interaction and integration, and we must learn these new ways. Enabling this will be widespread sharing technologies, and we must embrace these whilst attracting talented individuals for whom sharing is second nature.

As the use of technologies increases and greater transparency is created, this will in turn create the management platforms for decision making that will see building ownership profiles shorten considerably, building use profiles alter dramatically and the worker placed firmly as the focus of support wherever they are. The future is not workplace, it is workforce; a multi-stakeholder, potentially shareholding, but very mobile workforce.
“the future of FM will be about more than just managing the building envelope”

The workspace has undergone dramatic change during the last decade, but this is as nothing compared to how ‘new ways of working’, new organisational structures and telecommuting will impact the work environment as we know it in the near future. This continued change will significantly impact the demand for new workspaces and hence it will impact the facilities management industry. Four megatrends are the primary drivers behind this change: the rise of knowledge workers, the burst of new technology, Generation Y entering the job market and globalisation.

New ways of working are characterised by being creative project-based work, often group- or team-based, conducted in multiple locations, including home and local coffee shops, and with communication tools playing a significant role. This means that more offices will be built with shared workstations and drop-in desks, and as flexible rooms with multiple functions.

One of the major questions in the FM industry today is how the facilities manager will seize this opportunity and support the organisation in unleashing the potential that new ways of working have to offer. Will FM respond by working more strategically, focusing on added value instead of playing a pure cost-savings game? And how will it leverage technology?

No doubt, in the future, FM will be about more than just managing the building envelope. The function of FM must grow into information provision, focus on space utilisation and support of the core business of the C-suite via a unique and compelling value proposition.

These demands can only be met by FM through careful selection of, and strategic alignment with, external suppliers who can access the latest developments and international best practices, as well as utilising resources to focus on what is core for the company, including how to attract and retain talent for the future. Outsourcing will naturally play a key role in this.
The changing face of FM

The mega-trends driving change will impact facilities management in at least seven ways:

1. Proactive strategic partnerships. Workplace strategy is about using space more efficiently and effectively to the benefit of all stakeholders. It must be aligned with the overall company strategy.

2. Focus on value creation. FM has historically focused too much on costs and too little on value. Cost will continue to dominate the agenda but, by shifting focus to value, will be more about FM seeing its mission as more strategic and broader than previously.

3. Sustainability is an important strategic topic, as buildings account for almost 40% of global energy use. FM responsibilities in sustainability are increasing, and the pressure to deliver will increase.

4. Better use of space. Space utilisation rates can be increased by adopting new workspace designs such as flexible workstations, a distributed workplace strategy and a mobile workplace strategy.

5. Leverage technology. FM must use technology to make these workplaces/spaces efficient and effective by evaluating and embracing all available and emerging technologies.

6. Becoming information providers. The vast amount of data on buildings and employees will make FM able to map visually who interacts with whom, where they interact, how long they work together, how they move and speak, and how comfortable they are during their interactions.

7. Personalised service. FM must move focus away from servicing buildings to supporting workspaces, and this will require a more customised, personalised service to satisfy customers’ specific needs.

These pressures that facilities management (and corporate real estate) face can only be satisfied through the support of, and alignment with, an organisation’s external suppliers. Finding the right FM partner will secure continuous workspace optimisation and access to the latest developments and best practices, as well as unleashing resources to focus on what is core for the company.
The role of a marketing and communications function is to support the strategic direction of an organisation. It needs to understand the strategy and make sure that it is communicated in the simplest way to all stakeholders, across all forms of media.

In simple terms, the vast majority of businesses have a strategy that is trying to achieve sustainable profitable growth. The choice is around what strategic direction the organisation will take. It can concentrate on doing what it does in its current markets every day, and make sure that it’s the best it possibly can be. Or it can add additional skills and address new markets, or even transform itself into something completely different. But either way, it will be planning for long-term success.

There is no right answer for corporate strategy, in FM or any other sector. It is just as valid to be a local single service cleaning provider or a global integrated FM business. The key is to be the very best at what it decides to do. There is plenty of room for successful businesses of all shapes and sizes.

The way that a business is perceived in its market, together with its reputation, is influenced by its brand, how it positions itself and how it markets itself. The power of brand

A business’s brand defines who it is—this is made up of values, behaviours, ethics and culture. It doesn’t change much over time and is hard to shift because it’s part of the corporate DNA. It’s made up entirely of the organisation’s people and the products and services that it provides. Some businesses, such as Apple, have a brand that is totally formed by the innovative quality of its products. For others, like Virgin, it’s all about customer service.

How a business positions itself is what makes an organisation stand out from its competitors. It’s the combination of the way services are provided and the brand values that are attached. The positioning will always evolve as markets and services change to enable the organisation to differentiate and stay ahead of the competition.

The power of communication

To promote the positioning of the business, it needs to work out which stakeholder groups should be targeted and then use the most appropriate media channels to market to them and communicate with them. Doing this in an integrated way so there is consistency across all channels is vital for success. In recent years, it has become clear that there has been a significant shift in the importance of different channels in the marketing mix, with online methods such as websites, email, social media and search engines right at the top of the list when it comes to budgets, and more traditional forms of print, radio and TV advertising losing out.

It should not be underestimated how dominant social media is becoming; it will rapidly not be an option to ignore social media if an organisation wants to be able to communicate effectively with its stakeholders. What is interesting is the current mismatch of skills in organisations with a greater skill base in advertising and a skills gap in all forms of social media.

The implications of this are considerable. Where not so long ago marketing consisted of calling your list of contacts from your own little black book, these days customer relationship management systems like salesforce.com are holding all customer data across organisations. Now information is no longer personal, it belongs to everyone.

The point about marketing, positioning and branding is that it’s always forward-looking, so work done now will have an impact on the future. It is important to project where a business is going so that it can be understood by the stakeholders. It is also important to keep the messages consistent so that everyone has the same understanding at the same time. As marketing channels converge and the speed of response required for social media engagement increases, having an integrated team that covers internal and external communications will be an advantage.

And finally, in a world where speed of communication is unprecedented (and reputation can be made or ruined by ‘word of mouse’), wouldn’t it be nice if Twitter could be used for more things in FM. Think how many trees could be saved if tenders were done online in 140 characters or less.
The social media revolution is a fundamental shift in the way that we communicate, and it is affecting everyone. An important part of online marketing and PR strategies for businesses in all industries and sectors, many FM organisations now realise that they have no option but to embrace this.

Within the FM industry, organisations are increasingly using social media to communicate more fully with customers, improve their brand awareness and generate more sales leads via social networking sites such as Twitter, LinkedIn and Facebook.

We work with businesses from a wide range of industries and sectors in order to ensure that their social media activity is closely aligned with their overall business objectives. We recommend that every organisation gives full consideration to the ways in which social media can specifically help them to achieve their marketing objectives; for instance, raising brand awareness or changing brand positioning. Such objectives can be translated into messages that you wish to convey over the multiple company social media profiles.

As briefly mentioned above, there are many ways in which facilities management organisations and professionals can use the various social media platforms to enhance their business activity. For instance, many FM organisations are using social media to communicate with clients and prospects, demonstrate expertise, post industry and company news and hold competitions.

All of this activity helps to build brand awareness, enhance existing relationships & build new ones.

Another important audience for the FM industry to connect with is the press. There are a number of key industry press active on social media, especially on Twitter.

Connecting with industry press over social media can be particularly beneficial for a number of reasons. Firstly, it is another way in which your marketing/public relations teams can build relationships with influential journalists. Secondly, industry press frequently use social media to request contributions to upcoming features within their publications. Finally, when the publication does post news which is of relevance to your company, you can build this into your online conversations to add credibility.

The potential to position key spokespeople, and an entire organisation, as thought leaders is also very important for the FM industry. For example, open discussion groups on LinkedIn allow professionals to lend comment to a wide range of industry topics. Increasing your reach far beyond that of your connections, groups such as this facilitate thought provoking online conversations, which can in turn be used to demonstrate the expertise of an individual professional or an entire organisation. Frequently, these online groups are closely linked to offline events, therefore representing an opportunity to build a substantial network of contacts.

Facilities Management: new needs. new solutions
Planning your strategy

So, what makes a good social media strategy? This all depends on what you are trying to achieve.

Firstly, a well-structured social media engagement strategy should possess a central creative concept which can be deployed across different platforms. This does not mean that you should be duplicating content across the social media platforms, rather that you should decide upon a central ‘campaign’ idea and that all platforms should echo this.

Also, as mentioned, the strategy should be clearly linked to wider business goals. It should be clear as to how you expect social media activity to help you to achieve overall business and marketing objectives. For example, is your target market on social media? Could LinkedIn be another way to maintain relationships with your existing clients, therefore building brand advocacy and increasing the likelihood of referrals?

Finally, ensure that your social media strategy includes evaluation and measurement information. Social media is measurable, but it is important to ensure that you are not simply measuring vanity metrics such as ‘number of likes or followers’. Whilst this is indicative of how many people are receiving the messages that you are pushing out online, it is not enough when examined in isolation.

Facebook pages and LinkedIn groups both come with their own analytic tools, enabling you to view data on unique page views, potential organic reach and membership numbers. Twitter, however, does not have its own analytic tools and therefore requires some clever measurement. For instance, consider setting up a landing page specifically for website visitors that have come from Twitter. You can also look at the analytics for your website to ascertain what percentage of traffic has originated from Twitter. Furthermore, you can look at the number of actively generated tweets, number of retweets and URL links to gain an overall view of engagement via the platform.

As the various social media platforms evolve, it is likely that the measurement and evaluation tools available will also go from strength to strength. Social media will not deliver results overnight, but you will certainly start to see results from around month 3 of your campaign.

One final point of note is that of protecting your FM organisation and employees in their use of social media. It is of great importance that your company has a social media policy in place which states what employees can and cannot say about the company online. Furthermore, contracts of employment should include relevant clauses for those who have access to company social media policies. This should not only be for new members of staff, but should also be added to existing contracts.

To conclude, social media represents a revolution. Never before has the FM industry, or any other industry, been able to approach journalists, prospects, partners and suppliers so directly. The various social media platforms offer a cost-effective way of marketing your business, delivering customer service and much more. Many statistics suggest that social media is now something that no business can afford to ignore, if they wish to secure a profitable future.
"communication between buyers and suppliers is in danger of taking a backward step"

Of the many changes we have seen within the turmoil of the FM market over the last few years, perhaps the least widely foreseen was the change in the procurement arrangements for services. With so much attention focused on the evolution of delivery models, it wasn’t highlighted straightaway that the relationship between client and supplier organisations has been changing.

FM is a simple business, still emerging as a discrete discipline, and despite my urgings to make a quest for elegant simplicity where form follows function, the procurement of this simple set of services is becoming ever more complex, and not to anyone’s benefit. Despite the advent of an array of communication channels that were barely imaginable even ten years ago, communication between buyers and suppliers is in danger of taking a backward step, burying practical hands-on disciplines in a war of written words.

Back in the Eighties, suppliers formed relationships with their clients through face to face interactions. Trade shows, industry functions, games of golf. They spent time together, getting to know one another’s businesses, and as we were all told in the adverts, “it’s good to talk”. However, it was difficult for new suppliers to break into these close relationships, and sometimes they became too comfortable to achieve best value for the client organisations.

Then along came the Public Procurement Directives. This set of legislation was the first piece of law applying in England that prescribed the buying process itself (principally our law in respect of buyers and sellers relates to the contract itself, howsoever it is reached). Fortunately for the commercial world, it only applied to the public sector. Boom times meant that the commercial sector could not get enough of outsourcing as businesses grew, and the FM suppliers grew alongside.

A new world
Now under the grey clouds of recession or zero growth, cost reduction and the hunt for value are at the top of the agenda for all organisations public and commercial. One unforeseen fall-out from this has been the rise in influence of the procurement function within organisations. Those clients upon whom suppliers have lavished time, attention and sporting events are not buying their own services any more. They have been relegated to ‘technical specifiers’ with a place on the evaluation panel, and the process is led by the procurement team.

Procurement people do not want to play golf, or come to our FM conferences or bond with us over a beer - we have to communicate with them in a different way. That way is the formalised procurement process, which nowadays includes a first-stage request for information, followed by a lengthy tender typically involving many thousands of words of written text, financial breakdowns and presentations. Frequently the whole document is submitted through an electronic portal, with questions fired into faceless boxes, and perhaps an information day where the whole of your market turns up in an attempt to glean some of the touch-sensitive information about the organisation. Most of the evaluation process becomes a focus on how well organisations can write about what they do.

It does not matter whether we think this is wise; whether it’s a sensible way to choose important service partners who are an essential ingredient of our workplaces, our productivity, our brand; whether it is the best way to achieve best value and forge effective relationships. Buyers are having their moment in the sun: the situation looks unlikely to change in the short to medium-term, so any time spent agitating for the process to change is time that could more fruitfully be spent on honing your organisation’s tendering techniques.

If an organisation was going to start doing business in a new geographical marketplace, significant research would be undertaken into all elements of that market, including language, culture, business practices and customs. The same should also be true when identifying new influencers, specifiers and spenders within customer organisations. If buyers seem to be speaking a foreign language, learn it or enlist the help of an interpreter. Talk about the things that interest them. Ask yourselves ‘what have we got that they want to know about?’.
Raising your game
Most FM service providers would privately agree that one of their key priorities in the current tough market is to raise their game on tendering. Three of the most common mistakes we see from bidders at the moment are:

Not allowing enough time
Often the time commitment to complete a bid thoroughly is underestimated at the start, and organisations are running to play catch-up, barely completing the document before the deadline. Ideally, enough time should be allowed to get a second opinion (from someone within another team in your company or an expert) and hone the bid until you feel confident it presents your company in the very best light in respect of this particular opportunity. Nothing feels as bad as knowing you have not done your business justice.

Not following the instructions
This sounds obvious, and yet is one of the main reasons why organisations drop marks in a bid. A rigorous checking process needs to be in place to match up each part of each question to a correctly formatted answer. It is all too common for evaluators to assess harshly questions beginning ‘list’ which do not contain a list, or questions asking for specific information, eg financial statements, which is not included.

Not trying hard enough
Tender documents are not an exercise in cutting and pasting. Where a contract is being placed for millions of pounds-worth of work, as is commonly the case in our sector, it is surely not too much to expect some original work to be undertaken to convince this important prospective client that your organisation is the best partner for them right now. Often bids are submitted that are clearly patched together by sharing out the questions, and knocked up within a short space of time. Documents that look like a first draft are sent in a final submission that looks unfinished, unstreamlined and with visible joins. This is not the way to present a seamless, unified FM service.

And what can the buyers do from their side, should they wish to improve communication with their FM suppliers? The process is there to support you; you are not there to support the process. Make your process work for you and not the other way around.

Focus on the fact that the procurement process should enable the market to make its best offer, and give the opportunity for organisations to articulate their competitive position; their differentiating features and benefits; their unique proposition; their best price. Ask imaginative questions to draw these out.

And finally, buyers and FM providers both have a vested interest in ensuring the client achieves services that meet their expectations. Working in a collaborative rather than an adversarial dialogue pays dividends. It comes back to communication – speak the same language. Even in the age of tenders and Twitters, it’s still good to talk.
Meeting customer needs...

- Facilities management must be more flexible in what it offers and more closely engaged with the customer to ensure it delivers what is needed. This is the key to protecting the value in FM.
- FM’s future lies in taking up the opportunity to add real value to organisations – and to be seen doing so.
- Engaging end users early and appropriately – in planning, decisions and implementation – is always a critical success factor.
- This is increasingly a world of transformational programmes that demand the introduction of flexible working to foster workplace efficiency together with proactive property portfolio management. Senior-level buy-in to the strategy is essential to success.
- Closer alignment between organisations and their supply chains on goals, objectives and strategies is vital.

Rising to the property challenge...

- We must focus on how we maintain our buildings, how we can occupy and manage them in sustainable ways.
- FMAs must be prepared to play an increasingly important role in improving building performance.
- Organisations are thinking more broadly about workplace issues, pushed by global economic conditions. FMs must ensure they understand the property, human, cultural, technological and economic factors in order to respond effectively.
- There are no ‘one size fits all’ answers. Solutions must be tailored to buildings and user requirements.
- Securing buy-in and educating the people on the ground is critical for success in change initiatives, especially in energy saving. Without the cooperation of building occupants, new systems and processes can easily fail.

Protecting and growing the FM business...

- The rules have changed: facilities management faces a new ‘normal’ in terms of both the marketplace and customer needs and expectations. We must embrace these changes and ensure the discipline moves ahead positively.
- It is imperative that the FM industry remains on top of technology developments and evolving new ways of working to ensure we stay competitive. This has definite implications for our skills development programmes.
- FM technology should be seen as a long-term business investment, not as a quick-fix. Careful evaluation of needs and potential solutions is critical.

A major question for FM is how the industry will respond to technological, social and cultural change – by supporting organisations to unleash the potential, becoming more strategic and focused on added value; or by sticking to the cost savings agenda.

A growing commodity view of FM indicates a procurement strategy in which the emphasis is on cost, threatening our value as real contributors to organisational success.

Communicating effectively...

- Your brand and what it stands for is constantly being assessed right across the marketplace. Getting the message right, and ensuring it is reinforced consistently, is in your hands.
- Social media offers huge potential to FM companies to communicate directly with customers, suppliers and other key groups. It may seem to bring some risk; but so does ignoring it.
- Despite all the change in the marketplace – and indeed because of it in many cases – effective communication remains a vital skill for FMs.
- Getting your message across successfully will only work if you work at it.

15 Conclusions, lessons & advice
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- Access information like equipment manuals, case histories and other documentation

The benefits:
- More “First-time-fixes”
- Cut down on travel to and from the office or depot
- Reduce administration
- Increased efficiency and productivity
- More jobs completed per day
- Significant cost savings

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www.workplace-futures.co.uk

This White Paper grew out of the Workplace Futures conference series.

Each conference programme since the launch of the series in 2007 has tackled a different issue in the FM sector; but an underlying theme throughout has been the comparatively low ‘name recognition’ that continues to characterise facilities management, along with the associated tendency toward under-appreciation of the value it both represents and contributes to UK plc.

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