

## **A call to action: The state of affairs in global facilities management— A look at recent trends, what they mean to the profession, and to you**

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The facilities management profession is changing rapidly. Many of these changes are being brought upon us by forces outside our control. The questions become:

- *What are they?*
- *How are we dealing with them?*
- *What else do we have to do so that we can be the best that we can be?*

This paper describes these external influences and then discusses how they can and must change the way we look at our profession. It impacts each of the following stakeholders in facilities management:

- Facilities managers
- Outsourcing companies
- Other providers of FM products and services
- Professional FM associations
- Educational institutions

The implications for each stakeholder are discussed in this paper.

We also shall see that the implications are different in different parts of the world. But there are many common threads—enough for us to redefine a direction for our profession. The direction may need to be adapted to different countries to accommodate the varied ways we work, based on cultures and other constraints.

This paper does not intend to provide all the answers—that would encompass a book—but it hopefully offers food for thought that can bring us to the next level of facilities management, no matter what role we currently play in the FM profession.

### **Key factors influencing where we are today**

Many of the factors impacting facilities management today are happening outside of our profession. It is important for FM professionals to be aware of them and then to recognize the way they influence how their facilities need to respond, including the way they are managed. This section identifies those external factors, as well as those that are internal to FM.

## Shrinking of global borders

While the borders are shrinking for companies doing work in multiple countries, frequently forcing them to operate across borders, the borders also are shrinking because technology enables companies to work more efficiently across them (see *Technology advances* below).

Three major trends have impacted the traditional, close-to-the-vest way that companies work, enabling, encouraging and even requiring them to reach across borders more than ever before:

- a) Many companies have acquired or merged with others from different countries. Often, this is either to grow or to add a capability that is seen to complement existing ones. Either way, the end result is that companies need to find ways to work together in order to be effective. This includes not only the companies' specialty personnel that address their missions, but their FM professionals as well, who must find a way to house all occupants and support them in their missions.
- b) Technology has made it easier for there to be interfaces between locations as well as between groups within a location. This has resulted in fewer roadblocks that prevent parts of the same company from working together, often merging their facilities (when they are in the same city). In the case of facilities, those who take advantage of this capability are able to manage their buildings more efficiently and at less cost.
- c) When currencies are the same, such as they are within European Union, it always is much easier for companies to work together. But even where they are not, technology makes it easier for companies not to let different currencies interfere with possible actions they may take. And this includes companies who have multiple facilities in different countries.

### What is impacting FM today?

- Shrinking of global borders
- Technology advances
- The drive to reduce operating expenses
- Uncertainty
- Outsourcing

## Technology advances

Advances in technology are impacting five areas that affect facilities managers:

- a) Data generated within the same FM group (e.g., maintenance).
- b) Exchanging data among FM groups (e.g., leasing, space management, etc.).
- c) Exchanging data between FM and other non-FM groups (e.g., finance, HR).

- d) Exchanging data between FM and FMs at other corporate locations.
- e) Exchanging data with other organizations outside of the company.

Technology is indeed advancing at an exponential rate. It not only enables facilities managers to do things faster and better, but it allows them to add functionality by doing what was never before feasible. Here are a few examples:

- Using handhelds to take readings off of HVAC equipment, and then having it uploaded into a CMMS system.
- Benchmarking to identify where one's buildings are operating less efficiently than other similar buildings, both within and outside of one's own company. When benchmarking buildings against buildings from other organizations, data must be kept secure.
- Benchmarking to identify what other buildings are doing differently to run their buildings more efficiently.
- Applying cost indexes to project future costs and budgets more accurately.
- Taking advantage of 'smart' building technology for lighting, operating window shades, HVAC systems, key cards to control access, etc.
- Optimizing use of space, including use of sensors, to see how often workstations are unoccupied during the workday.
- Using Building Information Modeling (BIM) data to ensure buildings are operating the way they were designed throughout their life cycle.
- Inter-networking of any other 'smart' devices not covered above, enabling them to collect and exchange data (otherwise known as the Internet of Things (IoT)).
- Using blockchain technology to collect and distribute data among FMs (while not yet in use for facilities management, it will be here soon).

Most of the above tasks can now be done very cost effectively and efficiently. If new equipment or software is needed, payback will usually be within one-to-two years. So, there is no reason not to take advantage of these new technologies.

After data are collected, they can be shared with others and converted into *information*, which is valuable and can be applied to achieve goals heretofore not feasible. These goals are not limited to the facilities group, but can help companies manage their overall operating budgets by tying the FM database into corporate financial databases, not to mention security and HR databases.

Automation is becoming ubiquitous as well as essential and integral to all FM operations. It is a very exciting time in this area, and one in which FMs need to maintain awareness of all changes as they occur.

The true value of all the data collected from the above technologies is the information that emanates from it. To learn how to take advantage of it sometimes takes time (e.g., inputting benchmarking data) and sometimes takes learning and experience (e.g., analyzing that same data). That is where education and training come into play, as we'll see below. What is a shame is that more of the above technology is not yet used as much as it needs to be and can be; education can help pave the way so tomorrow's FMs can add that much more value to their work.

Technology is impacting one other area of FM—education itself. Many FM courses are now offered online, making it easier and more cost effective for more to learn. Nearly all FM subject matter is offered somewhere, so it makes little sense not to learn it, particularly if it is a skill that can benefit one's organization.

### The drive to reduce operating expenses

As companies need to deliver more profits to their shareholders, bringing down operating costs, they constantly seek ways to reduce overhead. And to many, facilities management is considered an overhead cost. The cost-reduction quest has been an ongoing one over recent years, and it does not appear ready to go away.

Fortunately for the FM, many of the ideas presented in the above technology section will lead to cost reduction. It is just a matter of committing to incorporate some of the ideas.

Automation fits nicely into the reduction of expenses, as it can help identify ways to keep both labor and expenses down, often by being proactive about maintenance as well as utility costs—the two largest operating expenses within FM, comprising two-thirds of a typical facilities operating expenses.

### Uncertainty

Indeed, it is difficult to plan when there is uncertainty in the air, and there is a lot of it on this planet right now. Global conflicts seem to be everywhere, as do security threats from terrorist groups. The state of affairs within the European Union as well as the withdrawal of the United Kingdom from it has companies and governments wondering how to plan for the years ahead.

Climate change seems to be making an impact on FM as well, not just in terms of temperature, but also some of the severe weather patterns recently experienced. Examples include flooding and the intensity of hurricanes and other storms.

In the United States, the new administration that came into power came into power in 2017 sought to change many policies and programs. For example, the administration recommended new policies that impacted energy, sustainability initiatives, tax laws, safety legislation, and infrastructure development. Until the policies are finalized, it is very difficult for FMs to plan many areas for which they are responsible.

## Outsourcing

One item that is not as uncertain is the role of outsourcing in FM. For many years, in Europe and Asia, outsourcing of most facilities management functions has been prevalent. In recent years, the United States has been starting to catch up, sending a lot of FM traditionally done in-house to outsourcing companies. Part of this is because so many companies have become global, and it makes economic sense for companies to outsource and have all their facilities managed in a similar fashion.

It also makes sense to be able to share data among the facilities, including those in different countries, and outsourcing companies are well-equipped to do this, especially with recent advances in technology. Benchmarking then becomes more feasible, and can lead to identifying cost-savings opportunities, which, as we stated, is more important than ever.

And by having many clients, the outsourcing companies can afford to have considerable expertise in-house, which their individual clients would otherwise have to hire as part-time consultants—a much more expensive proposition.

So the role of outsourcing will continue to grow. Indeed, the value of outsourcing is recognized by the occupiers, who seem to be showing more respect than ever for the expertise found within the outsourcing companies.

## What do we need to do to take advantage of our toolbox?

By now, it should be clear that much has been happening around us that imply we cannot just sit back and manage facilities the way they've been managed in the past. So, where do we go from here, given where we are?

## Working together with others

The first and most obvious solution is that we need much more collaboration. Gone are the days where FMs within one FM group just go about their business, sharing minimal data with those from other groups within that location, and no data with FMs from other locations in the same company. Gone are the days where the only financial and performance data shared with other groups are those that top

management requires. And gone are the days where one may never suggest a new idea to management or even a colleague from another group.

While safe, those approaches are counter-productive and will prevent the FM group from being an asset to its organization, not to mention preventing it from advancing into the future. It would be almost analogous to rejecting the idea of bringing automation into the FM department when CMMS (computerized maintenance management systems) and CAFM (computer-aided facilities management) systems came out.

Sharing data and ideas with others in different FM groups becomes a great starting point. So does sharing it with FM groups at other locations. And so does coming up with ideas on how to share data with groups outside of FM. And finally comes the realization that *helping the overall organization can be a good thing, even if the action doesn't necessarily help the FM group.*

Take advantage of technology to schedule online meetings with others, even if they are in a different location. Distribute an agenda to all attendees a day in advance. Keep the meetings brief and schedule them frequently enough so they become a part of the group's *modus operandi*. Then schedule follow-up meetings when needed with only those required for delving into more detail on topics requiring further discussion.

#### What can we do to get FM to the next level?

- Work together with other FMs
- Manage across borders
- Deal with cultural differences
- Improve FM education
- Enhance FM communication, organizational and management skills
- Reimagine the roles for associations
- Increase FM research
- Agree on FM standards

#### Managing across “borders”

Traditionally, facilities often are managed independently, as if each were the only facility in that organization's inventory. If there were multiple facilities, it would be rare that data among them would be tracked other than as a composite (i.e., combining the data to look at the total for budget purposes). Today, data can be used to draw comparisons between facilities, looking for ways to manage more efficiently, reducing operating expenses and labor to the fullest extent possible.

Benchmarking (internal) can play a role here, but it may require companies to modify the ways they do work to be able to share data among locations. For this type of benchmarking to be successful, the FM groups (and their management) must commit to look at the benchmarking not as a yardstick by which they can "punish"

those who don't perform as well, but rather an opportunity—each FM group should be able to uncover at least one opportunity for improvement. Benchmarking tools now are available to the facilities manager to help analyze data coming from many locations, and these should be taken advantage of.

Benchmarking is not restricted to facilities within one city or country. It is a matter of normalizing the data to make the comparisons accurate. For example, when comparing energy consumption data, compare to other facilities in similar climate zones; when comparing maintenance costs, look at areas with similar hourly rates for maintenance workers. That way, you will have many more buildings that are comparable to yours.

### Dealing with cultural differences

When looking at a variety of countries and the ways facilities are managed there, one will indeed find differences, including the ways data are collected. Each C-suite has its own view of how a company can be run, even for companies in the same country. One cannot expect countries to modify their cultures, and similarly, one cannot expect the C-suite to change either. So the name of the game is to find as much commonality as possible within the FM groups (an area each should be able to control), and then accommodate the external differences to the fullest extent possible.

To this end, there is a particularly large difference between facilities in the United States and Europe: The U.S. tends to under-value its facilities, and as a result it under-spends in its facilities. While saving money in the short-term, it thus shortens the useful life of the facility. The U.S. then will replace the building in fewer years. In Europe, occupiers tend to stay in the facility for longer, and thus will spend accordingly, looking at the cost-benefit of a potential building improvement over a longer period of time than in the U.S., which has more of a "fix it now only if I have to" approach.

As a result, Europeans are more interested in key performance indicators (KPIs) than in the U.S., and are much more likely to know the KPIs for their facilities. These metrics become essential when benchmarking one's facilities. Over time, in the U.S., it may not be as cost-effective to get or move to a new facility every 8-10 years, and FMs in the U.S. may need to follow the European lead of retaining a facility for longer.

Another difference: Inside the typical European office space, the workstations are smaller and there is more social networking, thereby creating a very different type of ambience and environment in which to work. These can impact some of the metrics when comparing buildings in the two continents, and must be taken into account when comparing buildings' performance data.

Regardless of the differences between countries, the value from drawing valid comparisons dwarfs the lack of value from not drawing them at all—if one doesn't take advantage of analyzing the data resulting from the comparisons, one cannot identify opportunities to reduce costs, and one cannot be as valuable to corporate management as he or she otherwise could be. The same holds true for not taking advantage of the other technology advances described in the first section of this paper.

In Europe, there are many more environmental restrictions and much more focus on conservation. Part of that is because energy is a lot more expensive in Europe. In both Europe and the U.S., reducing utility cost has a greater meaning than sustainability as the impetus for improvements.

### Improving facilities management education

Part of the problem resulting from management's keeping costs down is a dearth of funds available to FMs for ongoing education, both from courses and by attending conferences. As the profession continues to evolve, it is critical that the FMs keep up with current technology, techniques, and trends in managing their facilities; this is especially important given all the changes identified in the first portion of this paper.

Even if cost were not an object, today's FMs are putting in more hours than ever on the job, taking away from the time they have to take courses, attend conferences, or even keep up with the journals and read the plethora of knowledge available online. This makes it more difficult to budget, for example, for the use of a new technology that changes the way FMs do their work, as most budgets are determined by tweaking what one spent the year before. Without becoming aware of a *new of different* technology, should a better way to do something be developed, it becomes very difficult for the FM to learn about it. Examples of new technologies that have started to come into their own over the past decade include the use of BIM, incorporating benchmarking into FM, and learning which aspects of smart buildings may work best for one's facility; the question becomes, "Has your organization supported your need to become as much of an expert as you need to be for each of those technologies?"

Taking courses is only good if the curriculum is current. This means the providers need to ensure that they are keeping up with the subject matter, and not teaching from the same curriculum that they did five years earlier. The field is changing too rapidly for that.

Many institutions and associations have multiple instructors teaching the same course. This is good, but only if the curriculum remains consistent with all teachers! All too often, in its desire to retain a teacher, the organization permits the teacher to structure the curriculum around his or her strengths. This is not a good idea for a course that is needed by facilities managers. Each course should identify where a



teacher may diverge from the fixed curriculum (e.g., a special project, perhaps), but should strive to keep the curriculum consistent.

While the above ideas are geared toward those offering courses to professionals, they apply to the schools offering academic degrees to facilities management students. Certification programs also must be consistent.

Earlier, I mentioned that online courses have been coming into their own. Online courses make it easier for many FMs to learn. Some courses and topics, however, still need to be taught the old-fashioned way—face-to-face. I think the industry is still trying to find the best balance and develop a way to offer the right combination of skills through the various media available.

Some training organizations are trying to offer a combination of online, face-to-face, and hands-on training, which can be a very successful approach for some topics. Hands-on training can be particularly effective in the colleges and universities, where some courses are offered with components that require interviewing of and apprenticeships under "real" facilities managers. When looking for a training organization or an academic institution to attend, make sure that it incorporates not only hands-on training, but new technology. It also should schedule regular updates to its curriculum.

### Communication skills

Besides technology, today's facilities managers will find it more critical than ever to communicate with others on at three different levels:

- a) Staff that work for them.
- b) Management to whom they report.
- c) Clients that they serve.

Each requires a different form of communication and skillset. The reasons to communicate with staff are to ensure that the staff understands what they need to do, feel as if they are part of a team, and recognize that their work is appreciated. Management communication is essential to secure funding and to justify budgets and action plans; a presentation to the C-suite often requires a different emphasis and vocabulary than one given to FM management, with more emphasis on the bottom-line and less on the individual components. Communicating with your clients is to help them realize that you are doing whatever you can to satisfy their needs, and to provide good customer service.

The skills needed include not only mastery of all the topics FMs need to be able to discuss (ranging well beyond the realm of buildings, to that of budgeting, finance, information technology, and organizational development, to name a few), but also mastery of skills in speaking, graphic presentations, and even teaching. Each

technical area must be able to be described in terms familiar to the recipient of the presentation, taking into account the information the recipient needs to know.

### Organizational and management skills

As more companies have components in other countries with different social mores and ways of managing, FMs will need training on how to work with them. They also will need skills on how to blend together various styles of management as companies merge and acquire others.

Professional associations can take on more of a leadership role in this area in terms of structuring curricula, as well as working with academic institutions to help them groom tomorrow's FMs (see below for more on this).

### The role for associations

Associations have multiple roles to play, including the traditional ones of maintaining the profession, defining certifications, lobbying for appropriate legislation, producing conferences and forums for discussions among professionals, and others—these roles are essential, and all associations should be doing them.

But here I want to discuss the role of associations that relates to education. Whether or not the association has an education program itself, it is imperative for the association to promote education, both for future facilities managers, encouraging them to enter the profession, and for existing ones, supporting them to improve. Associations also should help the academic programs define their curricula to make tomorrow's FMs as well-trained and informed as they can be.

Associations can support academic institutions in multiple ways by providing—

- Scholarships.
- FM curriculum structure and other support to academic institutions.
- Assistance to those looking for FM internships.
- Guidance for incorporating more research into its FM program.

### Increasing facilities management research

There is a lack of quality research in the FM community. Typically, in most fields, research comes from academic institutions and associations. As a rule, research is a systematic investigation of hypotheses to establish facts and draw new conclusions. This entails a collection of data.

Many of the FM school programs focus on teaching how to be a good facilities manager, as opposed to teaching how to conduct rigorous research and encourage students to do it. Associations recently have been focusing more on growing

membership, sponsors, and alliances rather than on research. The impact of this de-emphasis on research by both types of organizations has not been good for the profession. These organizations may want to re-consider their roles with regard to research in order for the profession to advance to the next level and be able to have facilities management be on the same global stage as other professions, especially if FMs are to have more of a role in presenting to the C-suite.

In addition, associations can work more as partners with colleges and universities to help organize and sponsor quality research for the profession. Research that is needed desperately is in the study of facility data, particularly those related to the new technologies of today—Which technologies are most effective? What trends have surfaced to help facilities operate more efficiently? Which KPIs add the most value to facilities, and in which situations? There certainly are many research hypotheses that are out there, waiting to be studied.

Two other areas where research is needed, and where associations can help sponsor universities through grants:

- *Productivity*  
Define measures for productivity that relate to what FMs do. Productivity is one area that many want answers for, but few have surfaced to date.
- *Customer service*  
Define how one can measure successfully how well the FM group services its customer, the occupier of the facility.

### Agreeing on facilities management standards

There always have been standards, but they generally have been quite localized, either geographically or within associations—each country and association often has its own standards. But, as noted above, the borders are shrinking, and even associations are doing more to work together. There are multiple organizations seeking to figure out the best way to "standardize the standards," so to speak; many now have representatives from multiple countries and associations.

The objective is to have the standards work for multiple types of organizations in varied types of situations across different countries. Much work remains to be done, but there seems to be more interest and progress than ever. This becomes critical as the borders continue to shrink.

Nearly all FM professionals agree that there is a need for standards, but they disagree on which standards they should have. Most feel most comfortable with the ones they have been using. After all, for example, how many want to go out and re-measure their entire building to re-calculate its area?

## Conclusions

Leadership is a key to getting facilities management to grow as other professions have been doing. There are many players identified above, and all need to work together toward a common goal. Territoriality cannot work. Control-as-an-objective cannot work.

We are starting to see evidence that some are moving toward collaboration, especially within individual firms in the outsourcing sector, as they have the bandwidth to be able to afford major investments in high-quality people and leading technology. Getting the best people is not an obstacle to them, even if they reside in different cities; with technology they can do more and more without face-to-face meetings. The demand for high-quality people will increase as time goes by.

We also see these companies aligning with or even acquiring complementary companies that greatly increase their skillset. There seem to be many more mergers and acquisitions this year than in previous ones, especially in the outsourcing sector, and somewhat with associations.

Technology is enabling companies to do more and tie FM areas together, sharing data where it can; that is now extending to non-FM areas and between facilities in multiple countries. Where customization is needed, many outsourcing companies have the resources to make it happen.

In Europe and Asia, the outsourcing companies have been at this for longer than in the United States, and are demonstrating a way to do this very effectively. The U.S. FMs are working more than ever with their counterparts in other parts of the world, so perhaps they will see more eye-to-eye over the years ahead.

If these collaborative efforts can work within a large global outsourcing company and its multiple clients, it can work within the associations and their memberships. It is up to each of the stakeholders noted in this paper, from the in-house FMs to the leaders of the profession, to band together and lead facilities management to the next level. FM then will become an integral part of the global and digital economy.

*This paper is based in part on comments made by Peter S. Kimmel, IFMA Fellow, at an FM World discussion made in late spring 2017 at World FM Day. Peter is the Publisher of [FMLink](#), the online facilities management publication, and Principal of [FM BENCHMARKING](#), an application to help facilities managers compare their operations to those of other FMs and identify ways to reduce their operating costs. Both organizations are global.*

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