



Annual Report 2005-2006

To the members and friends of IFMA:

Let us congratulate you. The crescendo from IFMA's well-orchestrated Silver Anniversary celebration at World Workplace 2005 in Philadelphia still resonates. The 2005-2006 Association year ended 30 June 2006 was outstanding and formed a fitting capstone to 25 years of building a successful organization. Members like you make it all possible.

As repeated in the past two annual reports, a combination of IFMA's traditional and emerging core competencies provided solid reasons for members, customers and other stakeholders to commit time and financial resources with IFMA. Their trust in IFMA paid dividends. IFMA benefited as well. Growth was robust in key areas like membership, seminars, online courses, webinars, sponsorships, advertising, publications and the exposition. Moreover, the 2005 Member Satisfaction Survey and follow-up evaluations validate that people are overwhelmingly happy with the quality and content of what IFMA is providing. We are hitting the mark with both new and repeat customers.

Strong sales combined with sound management of the Association's investments, enabled IFMA's long-term reserves to increase by \$600,000. This is an extraordinary increase in reserves for an organization of our size. It has been several years since we have seen this kind of growth. Overall, the 2005-2006 fiscal year results mark the third straight year of post 9-11 recovery.

Two years ago when we were looking for signs of a rebound, we began closely monitoring IFMA's JOBnet service. The number of facility management job postings reflects demand and we thought it would be a good lead indicator. For the past fiscal year, the number of monthly job postings remains in the 250 to 300 range, but the number of resume views by potential employers averages more than 1,100 per month, up from 500 to 1,000 per month in previous years. This is good news. Recovery in the facility management industry seems to be getting stronger, not just sustaining itself.

Nearly three years ago IFMA benefited from the introduction of the Balanced Scorecard (BSC) into the strategic planning and business processes. BSC work by the Strategic Planning Oversight Team helped lay the foundation for a three-year framework that is enabling tangible and intangible resources of IFMA to better align and focus on strategic outcomes.

Cascading of the BSC throughout the Association, from the IFMA Board, to staff, to chapters/councils, is moving forward on schedule. As the BSC educational process continues we're seeing IFMA teams develop better-connected cascaded scorecards with solid objectives, targets, measures and initiatives. Best of all, we can track how the enhanced planning has led to better outcomes. The BSC has been a success and IFMA is becoming one of the leading

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proponents of it in the association community. IFMA's BSC places stakeholders at the top, closest to the vision and mission. Creating long-term stakeholder value is paramount. The other three perspectives of IFMA's BSC are: operational excellence, people and financial. (You may view the Strategy Map on the IFMA Web site at www.ifma.org under "About IFMA.") The IFMA Strategic Plan and BSC have the same four goals, one for each of the perspectives:

- 1) Stakeholder Perspective—Support a community that fosters vitality, momentum and impact for the facility management professional;
- 2) Operational Excellence Perspective—Anticipate and prioritize the resources required to enhance effective delivery of products and services;
- 3) People Perspective—Inspire passion for the facility management profession that compels facility practitioners to want to join the IFMA network, engages volunteer leaders and attracts/retains top-talent to the full-time staff; and
- 4) Financial Perspective—Sustain IFMA's financial integrity to achieve and fulfill our mission.

The Statement of Activities for the 2005-2006 fiscal year (rounded here to the nearest 1,000) shows gross revenue of \$9.1 million, up from \$7.3 million for the prior period. Cash flow also increased by \$242,000.

Total expenses were \$8.5 million. We spent \$5.8 million for program services; \$1.8 million for management and general; and just under \$900,000 for membership maintenance and development. The net gain (profit) was \$575,000. In the previous fiscal year, IFMA had a loss of just under \$55,000. For a comprehensive picture, please see IFMA's 2005-2006 Statement of Financial Position and Statement of Activities in this report.

Membership for the year ended 30 June 2006 increased to 18,337—815 more members than on 30 June 2005 and more than double the previous year's gain. Sixty countries are represented. The Membership Marketing Venture with Marketing General Inc., the largest association-marketing agency in North America, was a big contributor. The ongoing effort targets member candidates from

**International Facility Management Association
Statement of Activities for the year ended
June 30, 2006**

(Rounded to the nearest 1,000)

Revenue:	
Member Dues	\$ 3,506,000
Education, events and member certification	4,169,000
Publication and information sales	959,000
Research fees	10,000
Investment return, net	303,000
Other	124,000
Total Revenue	9,071,000
Expenses:	
Program services	5,796,000
Management and general	1,812,000
Membership maintenance and development	888,000
Total Expenses	8,496,000
CHANGES IN UNRESTRICTED NET ASSETS	575,000
Unrestricted net assets, beginning of year	1,533,000
Unrestricted net assets, end of year	\$ 2,108,000

a variety of vertical industries using MGI's proven growth strategies and direct-mail techniques. Three special membership promotion mailings were completed in the fiscal year.

There were 126 IFMA chapters at the conclusion of the fiscal year, including the Southwestern Indiana Chapter of IFMA chartered in September 2005 and the Conestoga College Chapter of IFMA (Kitchener, Ontario) chartered in March 2006. Chapters continue to be a source of grassroots strength for the Association. Member resource staff at IFMA headquarters have worked directly with chapter officers and administrators to fine tune chapter operations, including assisting with strategic planning and BSC initiatives. Membership in IFMA councils continues to grow exponentially. There were 9,005 members of IFMA councils as of 30 June 2006—2,247 more than last year's total. A strategic plan for council support was developed in December and includes several initiatives that will further enhance council offerings. In the spring of 2006, the Banking Institu-

**International Facility Management Association
Statement of Financial Position for the year ended
June 30, 2006**

(Rounded to the nearest 1,000)

Assets:

Cash and cash equivalents	\$1,015,000
Accounts receivable	215,000
Prepaid expenses and other assets	563,000
Investments	4,557,000
Property, net	203,000
Total Assets	6,553,000

Liabilities and net Assets

Liabilities

Accounts payable and accrued expenses	622,000
Deferred revenue	3,823,000
Total Liabilities	4,445,000
Unrestricted net assets	2,108,000
TOTAL LIABILITIES AND NET ASSETS	\$ 6,553,000

tions and Credit Unions Council, Corporate Facilities Council, Corporate Real Estate Council and Research and Development Council met in conjunction to IFMA's Management Summit in San Antonio. In addition, the Academic Facilities Council hosted a spring meeting at the University of Wisconsin at Madison. The Airport Facilities Council met in Houston and toured the new Terminal E at the George H.W. Bush Intercontinental Airport. The Public Sector Facilities Council collaborated with the Society of American Military Engineers on a conference in Scottsdale, Arizona and the Utilities Council met in Williamsburg, Virginia. The FM Consultants Council conducted a business meeting during the European Facility Management Conference in Frankfurt, Germany.

Providing leadership development and training is an important priority of the Association. In January chapter leaders, council leaders and IFMA Board members attended the 2006 Leaders Conference in Houston. During the two-day event, conference

attendees had the opportunity to network, meet the staff, visit with officers/directors and hear association experts. In 2007, there will be three Leadership Conferences. The first will be at Sprint headquarters in Overland Park, Kansas in January; the second will take place at TRIRIGA headquarters in Las Vegas, Nevada in February; and the third will take place at Gannett Company in McLean, Virginia in March.

Professional development undoubtedly is IFMA's reason for being. It was the driver for forming the Association in 1980 and it has even greater importance today. IFMA's professional development programs are the best in the industry. In October 2005, Fall Symposium took place in conjunction with World Workplace 2005. One-hundred and eighty-eight people attended the Philadelphia event, up from 91 the year before. In May, Spring Symposium in Cleveland drew another 141 registrants, up from 127 the year before in New Orleans. In March 2006, IFMA members and other facility management professionals caught up with industry trends at the Management Summit in San Antonio. Two-hundred and forty-one people attended. Additionally, 46 people attended the CFM Exam Review course at the Summit.

IFMA's commitment to career-long learning was propelled forward this year by a new professional development initiative, the IFMA Leadership Institute. The Institute is for IFMA's senior-level members with eight or more years of experience and is designed to support career growth in the leadership dimensions of facility management practices. It provides analysis of business processes, models and tools to deliver higher value to an organization's core business. Participants receive a certificate from IFMA upon completion of required course areas: Gaining Career Awareness; Making Strategic Contributions; Leading Teams; and Making a Business Impact. Certified Facility Managers and fast-track mid-to-senior level managers are good candidates for the Leadership Institute.

IFMA's annual conference and exposition is an important educational, networking and industry event. World Workplace 2005 was a great success. Five-thousand three-hundred and twenty people from 39 countries came to Philadelphia to celebrate IFMA's 25th Anniversary. A highlight of the event was

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the showing of a music video with images of IFMA's amazing transformation over the years—from a national association with 65 members, to an international leader of the facility management profession, more than 18,300 strong. The 2005 program featured dynamic speakers, engaging educational sessions and a greatly diversified exposition. Beyond the experience, World Workplace contributes approximately 37 percent of IFMA's annual revenue. Its success enables many other initiatives of the Association.

IFMA continues to do more strategic collaborative work with other professional organizations. The Society of American Military Engineers (SAME) participated in World Workplace 2005. In November 2005, the IFMA president and CEO also joined SAME's Board of Directors for 2005-2006 and became the first outside director to do so. SAME also again participated in the Public Sector Council of IFMA's spring meeting and SAME continues to support IFMA's CFM program, including offering the CFM Review course and CFM examination at SAME regional events.

Since August 2004, the executive committees and chief staff executives of IFMA and the Building Owners and Managers Association (BOMA) International periodically have met to discuss possible collaborations. Through a joint group, IFMA and BOMA currently are working through the differences in the way both organizations measure floor space. The group has met regularly in person and via teleconferences to create a set of definitions and a common taxonomy that can be referenced by both the ANSI/BOMA standard and the ASTM/IFMA standard. Both IFMA and BOMA members have an opportunity to view a draft of the document and provide feedback. It is anticipated that the advisory document will be released in 2007.

In February 2006, IFMA announced a collaboration agreement with the Alliance for Sustainable Built Environments (ASBE). The purpose is to develop and deliver sustainability educational programs, as well as provide research and planning tools. Since 2003, ASBE, which includes the international companies Johnson Controls, Milliken & Company, Forbo Flooring, Philips Lighting, JohnsonDiversey,

Owens Corning and USG Corporation, has been working to educate the marketplace and top management on the benefits of reducing the overall impact facilities have on the natural environment and on building occupants.

This new IFMA-ASBE partnership will bring sustainability concepts and state of the art practices to a vital division of all business organizations. IFMA-ASBE programming and activities will include tools such as Green Compass, a Web-based product to guide you through the greening process with a scorecard; and SEEC (Sustainable Energy Education and Communication), a Web-based educational program providing "big picture" sustainability information and practical solutions. The Alliance also played a key role in developing the first dedicated sustainability educational track at World Workplace 2006 in San Diego and the IFMA-ASBE "GreenZone" was featured in the exposition. You may get updates on green activities at www.ifmagreenzone.org.

Globally, as reported last year, IFMA signed Partners in FM Excellence (PIE) agreements with the British Institute of Facilities Management (BIFM) and with the Facility Management Association of Australia (FMA) to promote international collaboration. The aim was to share knowledge and to promote the development of worldwide standards and best practice guidelines for facility management as a professional business sector. This included enhanced membership experiences, greater access to information and expanded educational opportunities. As a result of the agreements, the participants have linked the member-only sections of their Web sites. IFMA members may access the member's only sections of the BIFM and FMA Web sites by logging onto IFMA's member's only section then clicking the links (vice versa for their members).

At World Workplace 2005 in Philadelphia, stemming from the success of the PIEs, the partners announced the formation of Global FM, a worldwide alliance of member-centered facility management organizations, providing leadership in the advancement of the facility management profession. As a single, united entity promoting facility management, Global FM is a conduit for furthering the knowledge

and understanding of facility management, sharing of best practices and resulting in added value to the individual members of each member organization. The first board meeting of Global FM took place 3 June 2006 in Canberra, Australia. Global FM goals are:

- Encourage greater collaboration between FM communities;
- Utilize the diverse cultures and strengths of each organization to enhance the skills of members; and
- Support countries that wish to form FM-related organizations where one is not yet established.

The 2006 European Facility Management Conference (EFMC) that took place 7-8 March in Frankfurt, Germany was successful and marked our second joint effort. There were 399 participants from 33 countries for the educational sessions and over 3,600 visited the exposition. IFMA signed an agreement with the European Facility Management Network (EuroFM) in 2004 to conduct conferences together in Europe. The next EFMC will take place in Zurich, Switzerland, 26-27 June 2007. The sponsors include: ETH Zurich, University of Applied Sciences Waedenswil Zurich, Facility Management Switzerland, Maintenance and Facility Management Society of Switzerland and IFMA Schweiz.

PACE – Capstone represents IFMA in Washington, D.C. and the Association has continued building an impressive network of allies and contacts in various governmental branches. In October 2005, at the recommendation of the IFMA Government Affairs Committee, the IFMA Board of Directors endorsed extension of the Terrorism Risk Insurance Act enacted after 9-11. This marked the first time IFMA formally has supported federal legislation.

Another highlight of IFMA's government affairs efforts took place on Capitol Hill, 10 May 2006. IFMA and the Federal Facilities Council sponsored a Public Policy Forum to educate policy makers on the important role of facility management, to convey emerging workplace-related trends IFMA has identified, and to hear from legislators/regulators. U.S. Representative Pete Sessions (R-TX) was the sponsoring Member of Congress. The Forum was a resounding success and more than 100

senior federal facility managers, policy makers and regulators attended. A representative from the U.S. Office of Management and Budget also addressed the Forum. It was literally "standing room only." The Forum will be repeated in 2007—in a larger room.

Another important governmental link for IFMA is participation in the Real Estate Information Sharing and Analysis Center (ISAC). The ISAC works closely with the U.S. Department of Homeland Security and other federal agencies to provide credible terrorism threat information to IFMA and to the ISAC's 12 other participating organizations. Members receive periodic ISAC "Updates" from IFMA and direct "Alerts" from the ISAC when the severity of the threat warrants immediate delivery of the information. Perhaps you have seen the ISAC's terrorism awareness "Are You Ready?" advertisements in IFMA's *Facility Management Journal*.

Research is another important IFMA competency. IFMA released its 2005 Sustainability Study in August and published Operations and Maintenance Benchmarks, Research Report #26; and the forecasting report, "Current Trends and Future Outlook for Facility Management." A major news story, "Offices thinking outside the box," featured IFMA office space research in the 12 June edition of *The Chicago Tribune*. Other research work included the May 2005 Best Practices Forum at the Smithsonian Institute's National Museum of the American Indian in Washington, D.C.

For IFMA's 25th Anniversary the IFMA staff produced a beautiful 108-page "Legends and Legacies" issue of *Facility Management Journal* that will be both a tribute to IFMA and a source of information for years to come on the development of facility management. IFMA chapters, councils and corporate supporters were generous sponsors of this special legacy issue and we are grateful for their assistance.

As you may know, the IFMA Board of Directors revised several sections of the IFMA Bylaws to synchronize the term of office for officers and directors to coincide with 1 July, the start of IFMA's fiscal year. Consequently, the IFMA chair is serving an 18-month term during the transition, so this report

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is signed by the continuing chair, instead of by the immediate past chair. The term of office change will enhance the succession planning process and result in even better governance through alignment of terms and fiscal responsibilities.

As always, we need to give credit to those who work directly or indirectly for the Association,

whether upfront or behind-the-scenes. These dedicated men and women include members, board members, volunteer leaders, collaborative partners, friends and staff. We look forward to seeing you at the many upcoming IFMA- and industry-related activities. This past fiscal year truly has been a remarkable milestone for personal, professional and organizational growth.

Sincerely,



A handwritten signature in black ink that reads "Teena G. Shouse".

Teena G. Shouse, CFM
IFMA Chair



A handwritten signature in black ink that reads "David J. Brady".

David J. Brady
IFMA President and
Chief Executive Officer