

## Annual Report 2007-2008

2007-2008 IFMA Board of Directors  
*left to right:*

Marc S. Liciardello, CFM, MBA, CM;  
David J. Brady; Peter M. Winters, CFM, CFMJ,  
AIA; Helena Ohlsson, CFM, MScA DIPL FM;  
Christopher P. Hodges, P.E., CFM, IFMA Fellow;  
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Kuhn, CFM, CFMJ; Kathy O. Roper, CFM,  
CFMJ, LEED AP, IFMA Fellow; Paul A. Ratkovic,  
CFM, FMP; José Garcia Cuartero, MIM



### Dear IFMA Stakeholder:

The fiscal year ended 30 June 2008 was one of growth, despite a modest loss of US\$139,000. This reduction largely can be attributed to a decline in the world's financial markets, beginning around January 2008 and its subsequent impact on IFMA's long-term investments. Market conditions were more favorable in the previous fiscal year when IFMA improved its financial standing by several hundred thousand dollars. Positively speaking, the 2007-2008 fiscal year saw overall income increase to US\$10.3 million, up US\$289,000 from the previous year.

Total expenses were just under US\$10.5 million, an increase of more than US\$1.1 million from the 2006-2007 fiscal year. We spent US\$6.5 million on program services; US\$2.7 million for management and general; and just under US\$1.3 million for membership maintenance and development. For a comprehensive picture, please see IFMA's 2007-2008 Statement of Financial Position and Statement of Activities in this report.

Through the implementation of strategies outlined in the association's balanced scorecard, IFMA continued making significant investments to improve the quality of programs and services. These investments in people, resources and technology have positioned us well.

In 2007-2008, as in the last couple of years, we introduced some key initiatives that helped elevate IFMA to new heights. The groundwork for our current level of success began four years ago with the adoption and integration of the balanced scorecard methodology into IFMA's strategic planning process. Not long into the balanced scorecard initiative, it became evident that IFMA's fiscal year, planning year and board terms needed to be synchronized. It made sense that the process and the people guiding the association should be moving forward together in the same time frame—without making awkward “hand offs” or going through periods of overlap. This past fiscal year marked IFMA's first with these critical components in total alignment.

One of the most significant metrics of any member-centric professional association undoubtedly has to be membership growth. Size-wise an organization only has three options: grow, decline or continue the status quo. We are pleased that IFMA's membership grew to 19,360 as of June, up 662 from the previous year. As of October 2008, we are at 19,527 members.

Retention is another key metric of an association, and we finished the year at 79.5 percent, a powerful 2.5 percent increase. In reporting on retention in last year's review we said, "We're not happy with this number because we believe we can do a better job of reaching members—especially new ones—and convincing them to explore all that IFMA offers to enhance their professional and networking experiences." Personal calls were made to non-renewing members to find out what more we could do and the extra effort improved results.

In a continuation of a regionalized/centralized outreach strategy that began two years ago, IFMA brought the Leaders' Conference to Houston in 2008 so chapter and council leaders could interact closely with the headquarters' staff. The same program also was held in Manchester, United Kingdom, in conjunction with the European Facility Management Conference (EFMC). The 2009 cycle calls for the Leaders' Conference once again to be regionalized. It will be offered in four North American locations and in Amsterdam preceding EFMC.

IFMA's corporate connections team once again excelled this year by providing customized solutions to IFMA's Corporate Sustaining Partners and associate members. This important membership group helps provide a platform that both supports the association financially and enables facility practitioners to do strategic FM with the very best tools. New offerings for 2007-2008 included an FM Deals & Discounts program for IFMA members to obtain special discounts on products/services and more opportunities for CSPs to gain visibility among decision makers.

Corporate connections also worked with the editor-in-chief of the *Facility Management Journal* and with IFMA's marketing department to help redesign IFMA's flagship publication to both deliver more content and provide additional space to accommodate demand from advertisers. *FMJ* doubled to an average of 120 pages and category icons were added to help identify specific product/service categories. The publication also carries a continuous section on sustainability and *FMJ* Online has been enhanced with a new

delivery format. In the 2009 calendar year, three special mega-issues will be produced at 150 pages.

As noted in last year's report, the World Workplace exposition is a great example of connecting the profession. The expo continues to offer a wider variety of companies and product/service offerings. IFMA clearly has become the "go-to" organization because our members collectively purchase more than US\$100 billion annually. IFMA's corporate connections area helps match solutions with end-user needs. In fact, coming into World Workplace 2008, there was a waiting list to get into the show and IFMA had to work with the fire marshal's office to accommodate an expanded floor plan. The "GreenZone," a special section of the expo floor for sustainable offerings, also was twice as large as the previous year.

IFMA councils were another exceptionally strong area for IFMA. As of the end of June, 9,556 IFMA members have memberships in IFMA councils. As proof of council success, more than 300 people from 11 participating councils attended the second annual Industries Forum event, held 30 April through 2 May in Denver. There were two keynote presentations, 43 educational sessions and eight facility tours. Four councils not participating in Industries Forum held separate spring meetings and drew a cumulative total of 125 participants.

To expand council reach further into industry-specific markets, two new communities of practice were formed: Hospitality FM and Engineering Community; and Restaurant and Food Service FM Community.

Additional communities are in development. In essence, communities are incubators that can lead to council formation, where more IFMA resources can be engaged. Councils indeed are one of the "growth engines" of IFMA.

Other council highlights include the Airport Facilities Council's first annual Airport Facilities Awards of Excellence, Corporate Facilities Council's "First Wednesday Webinar Series" that drew an average of 80 participants, the Health Care Council's Green Patient Room display at industry events and the initiation of industry-specific research by IFMA councils.

Driven by strategic planning, IFMA's education department is in the process of a comprehensive revamping to meet the needs of the profession. In February 2008 Catherine Pavick, former executive

**International Facility Management Association  
Statement of Activities for the year ended  
June 30, 2008**

(Rounded to the nearest 1,000 in US dollars)

**Revenue:**

Member Dues	\$3,919,000
Education, events and member certification	4,937,000
Publication and information sales	1,432,000
Research fees	35,000
Investment return, net	(115,000)
Other	135,000

**Total Revenue** 10,343,000

**Expenses:**

Program services	6,477,000
Management and general	2,710,000
Membership maintenance and development	1,295,000

**Total Expenses** 10,482,000

**CHANGES IN UNRESTRICTED NET ASSETS** (139,000)

Unrestricted net assets, beginning of year	2,823,000
Unrestricted net assets, end of year	\$2,684,000

director of a Michigan-based association, joined the IFMA staff as the director of education. As to existing offerings, IFMA's education area is exploring alternative delivery vehicles, ranging from hybrid classroom-based experiences to new media-inspired online experiences. Facility management competency courses have been packaged in modules and are available online. As an example of success, IFMA's Fall and Spring Symposiums were well-attended, garnering 255 and 223 respectively.

Last year IFMA received recognition as the sole provider of facility management education in the Peoples' Republic of China from the Occupational Skills and Testing Authority of the Ministry of Labor and Social Security. In doing so, facility management also was recognized as a viable career pursuit. Yingbiao Human Resources is IFMA's representative in China and now regularly provides education to facility professionals in Macau with courses in the nine FM competencies.

Worldwide in 2007-2008, facility management professionals furthered their career aspirations by earning IFMA credentials. Two hundred and thirty seven earned the Certified Facility Manager® and 380 earned the Facility Management Professional, bringing the total number of FMPs to 540. IFMA also continued working with the Society of American Military Engineers (SAME) to identify and bring forward candidates in the military and government agencies to sit for the CFM® examination. IFMA also partnered with SAME and the Federal Facilities Council to conduct the second Facility Management Workshop in September 2008.

Additionally, the U.S. Air Force Office of the Civil Engineer issued a policy memorandum recognizing IFMA's CFM credential and adding it to the Air Force's Group A Professional Credential Level list. This means the selection of a CFM to fill key senior civil engineer positions at Air Force installations is "highly encouraged and/or required." Civilian employees may request 100 percent reimbursement for expenses required to maintain the CFM, a benefit previously only afforded to professional engineers and registered architects.

Facility professionals gathered in Houston this past February for FM-3D, a newly-branded event combining the previously-mentioned Leaders' Conference, plus Best Practices Forum, Management Summit and facility tours of the Texas Medical Center and the campus of energy giant BP. Sharon A. Wulf, Ph.D., of Enterprise Systems, began the Management Summit with the keynote address

"Leading and Managing Cross-Cultural Communications," which outlined the tools facility professionals need to effectively lead and manage people of different cultures, customs and age groups.

Research has long supplied useful information to the facility management practitioner and service provider. It also is an important contributor to the overall effort to magnify the importance of the facility management professional (objective three of the IFMA strategy map and balanced scorecard). IFMA produced significant research during the year, including: Profiles 2007: Salary Report, produced in partnership with *Building Operating Management* magazine; Facility Management Outsourcing – An Overview of the Industry and Its Largest Companies; and Space and Project Management Benchmarks.

**International Facility Management Association  
Statement of Financial Position for the year ended  
June 30, 2008**

(Rounded to the nearest 1,000 in US dollars)

**Assets:**

Cash and cash equivalents	\$1,171,000
Accounts receivable	357,000
Prepaid expenses and other assets	666,000
Investments	5,692,000
Property, net	391,000

**Total Assets** 8,277,000

**Liabilities and net Assets**

**Liabilities:**

Accounts payable and accrued expenses	910,000
Deferred revenue	4,683,000

**Total Liabilities** 5,593,000

**Unrestricted net assets** 2,684,000

**TOTAL LIABILITIES AND NET ASSETS** \$8,277,000

Following three years of collaborative work, IFMA and the Building Managers and Owners Association International published "A Unified Approach to Measuring Office Space." IFMA recognizes the "ASTM Standard Classification for Building Floor Area Measurement for Facility Management" and BOMA supports the "ANSI/BOMA Standard Method for Measuring Floor Area in Office Buildings." Together the two standards form the foundation for benchmarking and best practices and the publication enables users to measure various floor areas and produce detailed calculations in either standard.

IFMA also assisted Johnson Controls to produce the second annual Energy Efficiency Indicator to identify needs of 1,500 executive decision makers, about a third of whom are IFMA members, and quantify their

predications on energy consumption and conservation. As is to be expected in the current environment, executives anticipate rising utility costs and are continuing to make both capital and operational investments in measures to improve energy efficiency. The EEI Webcast was widely attended and reported on by the trade, business and financial press.

IFMA's mission is to advance the facility management profession. We leverage our capabilities through working with carefully-identified organizations with knowledge or resources that complement our own. There have been numerous collaborative efforts. Some are continuations of previous efforts. Three are new and date from World Workplace 2007:

- IFMA and the American Society for Healthcare Engineering (ASHE) signed a memorandum of understanding to advance the interests of engineering and health care facility professionals. It opens the possibility of research, educational programs, FM credentials and benchmarking.
- IFMA and the U.S. Green Buildings Council (USGBC) signed a memorandum of intent outlining collaborative efforts to promote sustainability, energy efficiency and environmentally-responsible building operations. The agreement also encourages cooperative activities in the development of educational initiatives, such as USGBC workshops and IFMA core competency courses.
- IFMA joined the U.S. Environmental Protection Agency's ENERGY STAR program as a partner. This is a fundamental commitment by the association to protect the environment through the promotion of continuous improvement in energy performance on the part of IFMA members and their facilities.

Also in the area of sustainability, IFMA's partnership with the Alliance for Sustainable Built Environments continues to help the association advance the business case for operating facilities and workplaces in sustainable ways that minimize our footprint on the planet. The Alliance provides IFMA members and the association with valuable tools, education, research, *FMJ* articles and Corporate Sustaining Partnerships.

Government relations is another important and evolving function for IFMA and, in addition to the eight-year relationship with PACE LLP, IFMA's representative firm in Washington, IFMA hired Jeffrey Johnson as director of government relations. He works out of IFMA's office space near the district to develop and strengthen IFMA's partnerships with government agencies and related organizations, especially in connecting their educational needs with IFMA resources, courses and credentials.

There is growing demand for facility management education and training at the federal level. In July 2008 IFMA and the Federal Facilities Council co-sponsored a high-performance buildings program in Washington, directed toward the federal sector, which focused on House Resolution 6, the Energy Independence and Security Act (EISA) of 2007. This legislation—signed into law by President George W. Bush in December 2007—includes provisions to improve energy efficiency in lighting and appliances. It mandates that all federal agencies become more efficient through the use

Sincerely,



*John McGee*

John McGee  
Chair

of renewable energy. Specifically, EISA requires these agencies to reduce fossil fuel-based energy consumption by new and renovated buildings to zero by the year 2030. Beginning now and extending to 2015, EISA targets:

- 30 percent reduction in usage is required by existing buildings; and
- 55 percent usage reduction is required from new buildings.

During this past fiscal year, IFMA board members also visited with members of the U.S. Congress or their staffs to hear both from lawmakers and to discuss issues of importance to IFMA. The board met with congressional members having committee assignments such as Appropriations, Transportation and Infrastructure, Education and Workforce as well as the Select Committee on Energy Independence and Global Warming.

Throughout the year, as a key component of the government relations balanced scorecard, IFMA also conducted numerous visits with policy makers and agency heads to outline the importance of exceptional facility management practices and provide unbiased information on a variety of issues.

We are grateful for the work of aforementioned collaborative partners and for those with whom we continue to work, but did not mention, such as our Global FM partners: Associação Brasileira de Facilities (ABRAFAC - Brazil), Association des Directeurs et Responsables de Services Généraux (ARSEG - France), Association for Facilities Engineering, British Institute of Facilities Management, Facility Management Association of Australia, FM Arena, Hungarian Facility Management Association and South African Facilities Management Association.

Though we are thankful that there has been no significant terrorist attack since Sept. 11, we continue our collective vigilance through our memberships in the Real Estate Information Sharing and Analysis Center and The Infrastructure Security Partnership. Our recent experience in the path of Hurricane Ike also proved that the IFMA Emergency Preparedness Plan works. The staff survived in good health, despite the fact that some went weeks without electricity or running water, or had extensive property damage to their homes and automobiles.

Together, we are overcoming the current economic challenges and doing the right things to build our profession, our association and our members' careers.



*David J. Brady*

David J. Brady  
President and Chief Executive Officer