



AN EXPLORATION INTO THE FUTURE OF FACILITY MANAGEMENT



UNDERSTANDING THE FUTURE OF FACILITY MANAGEMENT

One of the International Facility Management Association's four main goals is to lead the progress of the facility management profession by identifying trends, needs and outcomes for facility management in the future. Recently, IFMA conducted its second annual forecasting workshop to examine emerging trends and issues that will drive facility management in the future for the profession and its members.

ABOUT THE STUDY

A panel of industry experts was selected by IFMA to represent the various industry sectors and constituencies of the facility management profession. A total of sixteen participants attended the forecasting workshop that was held in Houston, Texas at IFMA headquarters on March 2-3, 2001:

Expert Panel

- J. C. A. (Jim) Schütz, Directeur, Rabobank Facilitair Bedrijf
- Nash A. Hasan, Manager, Facilities and Property, West Campus, Oregon Health Sciences University
- Debra K. Smilski, CFM, Senior Manager, Fantus, Corporate Real Estate Solutions, Deloitte & Touche
- Matthew Stubbs, National VP of Sales and Marketing, Regus
- Chris Keller, President, Integrated Data Solutions, Inc.
- Robin Thompson, TRS, MS, Thompson Training and Keynote
- Brian K. Swain, McKinsey & Co.
- Jeffrey M. Woolf, Executive Director, Cushman & Wakefield of California, Inc.

IFMA Forecasting Team

- Charles Claar, CFM, PE, Vice President of Professional Development
- Laura Clark, Member's Choice Administrator
- Shari Fisher Epstein, Associate Director of Research
- Deborah Hensel, Communications Manager
- Bill Jones, CAE, Council Resource Manager
- Sallie Middlebrook, Ph.D., Associate Director of Marketing and Planning
- Jennifer Uschold, Corporate Sales Manager
- Donald A. Young, MA, APR, Vice President of Communication

Dr. Peter Bishop, University of Houston Clear Lake and John M. McKeever, vice president of Houston-based Gelb Consulting Group, Inc., facilitated the forecasting workshop for IFMA.

OBJECTIVES

- Provide insights to help IFMA establish a leadership position on the future of the profession.
- Identify how IFMA can help prepare members for the future.
- Understand the changes that facility managers will face in the future.
- Assess what skill sets facility managers will need to stay competitive.
- Recommend what facility managers should do to position themselves in light of coming changes over the next five years.

LIMITATIONS

The findings of this exploratory study are qualitative and should be viewed as directional in nature. The conclusions could be assessed and validated through both a trend analysis of published information and quantitative research among facility management professionals, but that assessment is not part of this report.

FOUR INSIGHTS ON THE FUTURE OF FACILITY MANAGEMENT

- 1. Technology will continue to play an integral role in facility management. Professionals must be prepared to demonstrate their value by applying technology to business planning and management. Facility management professionals must provide solid recommendations on technology solutions to improve process efficiency, as well as assess the implementation costs and benefits among several options.
- 2. Facility managers will need to create value for their organizations – essentially expand their roles to encompass more responsibilities. Facility managers must become proficient project and people managers. They will need “soft” skills such as motivational training and team building for specific, short-term projects. Facility managers should also develop expertise in areas such as energy management, productivity measurement and real estate in order to support strategic initiatives.

“It’s easier to show a business-oriented person to be a facility manager than vice-versa.”

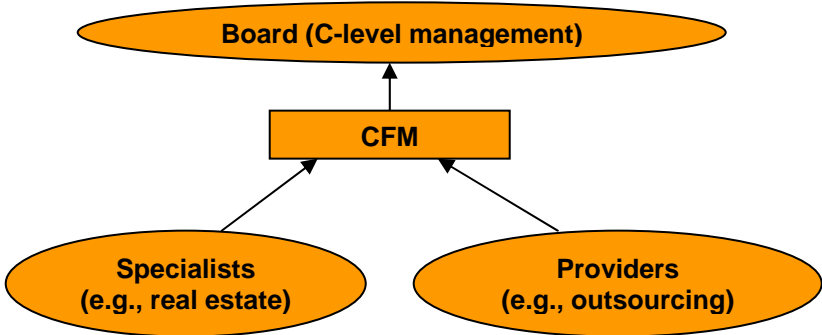
“FM used to be about managing a building. The future is more about managing people and systems. You can’t afford to be just a technician anymore.”

- 3. Changes in the physical workplace will transform the role of the facility manager. As more individuals work virtually, the physical workplace becomes primarily a mechanism to reinforce corporate culture and as a place for interaction and team-building.

“If employees don’t need to get together, then buildings become superfluous. However, there is an inherent need for people to be together.”

- 4. Facility managers translate corporate requirements (e.g., strategy) into operations. However, as financial considerations push more businesses to reduce their capital risk and outsource more of their non-core business assets and services (e.g., building ownership, general administration), there is a greater need for facility managers to forge partnerships with outsourcing vendors.

“FM is key, but not core.”



RECOMMENDATIONS TO HELP MEMBERS PREPARE FOR THE FUTURE

Lead the profession by creating a clear definition of “facility management.” IFMA can start with a list of roles and responsibilities, but should include a career path – are facility managers likely to become CAOs, CFOs or VPs of Corporate Services?

Increase awareness and enthusiasm for the profession by leading an outreach program to college-bound students focusing on the inner workings of a building (e.g., Casino program on Discovery); sell videos of building tours.

Partner with organizations that offer depth in specific areas of interest to the facility manager of the future – energy, finance, etc...

Engage senior executives to determine the value they place upon facilities and their estimate of the future contribution of the profession. This research might help uncover the answer to the question: Does a facility manager need facility management experience?

Offer specialized, focused certifications to those on the periphery of the profession. Some examples include: real estate (for brokers and asset managers), financial analysis (for finance professionals), and negotiation (for attorneys). Obviously, these specialized courses would be offered to facility managers as well.

Provide global leadership in the area of benchmarking and best practices. This should include analogous facilities as well (e.g., airports and power generation facilities). Much like the American Productivity and Quality Center (APQC), IFMA can become an information aggregator for industry professionals.

CONCLUSIONS

A. SKILLS THAT FACILITY MANAGERS WILL NEED TO STAY COMPETITIVE IN THE FUTURE

The expert panel was divided into four groups, and each group wrote a set of ideal qualifications for the facility manager in the future. Each ideal candidate description is summarized below:

Group one's ideal candidate:

- Be flexible and have a high tolerance for ambiguity and uncertainty, able to perform multiple tasks simultaneously
- Have a background and understanding of technology and finance
- Possess staff management experience and have good communications skills
- Solutions-oriented
- Project planning, and organizational skills
- Education: MBA or similar advanced degree with some finance, a technical undergraduate degree
- PE, RA or CFM

Group two's ideal candidate

- Big picture (helicopter view), a visionary
- Dynamic – ability to learn quickly, having varied interests – adaptability
- Credibility, CFM and building industry experience
- Education: MBA, a business background/degree with IT and finance skills
- Able to organize and complete multiple tasks
- Able to provide leadership, manage staff, outside vendors, and knowledge workers
- Communications and people skills
- Generalist
- Global work experience
- Solutions-oriented

Group three's ideal candidate

- Title: Director of Corporate Services
- Strategic approach instead of tactical approach
- Education: MBA, proficient in multiple languages
- Dynamic, fast growing, agile
- Global work experience
- Demonstrated/proven experience (10 years) track record in FM, including real estate, with 20 years of industry knowledge
- High-tech knowledge
- Experience in cultural diversity
- Year in volunteer organization
- Love to travel

Group four's ideal candidate:

- Title: VP/FM Leader
- Vision/knowledge of “big picture” (best practices and beyond) see how things are and how they're going to be
- Depth of knowledge/skill level (proven track record)
- Excellent communication skills
- Adaptable to change/dynamism of environments
- Team player/builder

B. TRENDS IMPACTING FACILITY MANAGEMENT

Business

- Faster pace of business and response
- Faster communication
- Rate of change faster, approaching instant
- Normal situation = dynamic environment
- Increase of giving back to community
- Increase in interdependence (trust?)

Energy/Environment

- Natural resource depletion
- Increased importance of environmentally friendly systems

Workplace

- More hours and flexibility
- Increase of the meld between home and work lives
- Increase to more home offices
- Increase global workplace
- Increase home office compliance/regulatory issues

Human Capital

- Increase in employee power (retention) – back and forth
- Increase in dynamic workforce
- Interdependence of roles and people and activities
- Increase in job change
- Shift from production people to knowledge workers (value of corporation)
- Increase in spirituality being an issue with employees

Facility Management

- Increased need for education
- More relationship management
- Reduction in planning horizon
- Shift to serving employees as internal customer
- Specialization by project – hiring 1-2 consultants
- Increase in performance-based consultants
- FM has to be more of a generalist
- Increase in outsourcing
- Decrease in use of the “FM” term
- Increase in role providing security to company

C. SCENARIOS FOR FACILITY MANAGEMENT IN THE FUTURE

Participants were asked to describe the things in facility management that have not changed in the recent past. They were challenged to tell a story (scenario) about how the opposite of that characteristic could actually occur in the future. While not our prediction of the future, the stories reported below helped the panel visualize some possible futures for facility management.

<u>Past</u>	<u>Possible Future</u>
What is it?	Clear definition
Diverse responsibility	Narrow responsibility
Never goes away	Periodic
Service-oriented	Program oriented
Cost center	Profit center
Under appreciated	Highly appreciated
Poor image	Excellent image
Liability	Asset

Definition of facility management becomes clear

Elementary and junior high schools now take field trips and make site visits to best practice facilities to learn about FM. They learn to see how a living building works. This experience is carried into college and graduate school. Programs include FM majors as well as MBAs that emphasize facility management. The government recognizes facility management through the addition of the profession to the SIC/NAIC codes. There are also specific categories in the taxonomy to reflect the 10-15 sub-sectors. (NOTE: This might also take the form of additional professional codes published by the US Department of Labor in its Occupational Handbook).

Facility management narrows its scope of responsibility

Professionals place more emphasis on specialized skills such as real estate and facility maintenance. Some facility managers select careers specializing in a specific discipline within facility management. In other words, anyone with a FM background is a specialist, not a generalist.

Facility management moves from an on-going need to a periodic one

The FM of the future was hired from a Cornell business program with emphasis in facility management. His first opportunity was to try to take things that would never go away and see if he could make them seamless and periodic. He succeeded and found himself on the executive track. He first put together a plan to change the company's maintenance program from reactive to proactive by using robotics. He reduced the time spent with parts and furniture by going to an e-business platform that made accounts payable/receivable more efficient. This process was enhanced through the use of PDAs. Finally, he found a big problem with the creation of business plans – he searched and found artificial intelligence software that reduced the plan development time from 2-3 weeks every month to 2-3 weeks every few months.

Facility management programs become the norm - FM no longer a service

An under-appreciated facility manager went to bed beleaguered with problems of the day because people didn't understand what he or his department was about. The facility manager did not want to replace his service-orientation, but he found difficulty

communicating to his customers. Therefore, he developed a new model in which he presented the services of the facility department in the form of specific programs the FM department could provide. For each specific project, he developed a communications plan (along with a satisfaction survey) for people to see how wonderful his department truly was.

Facilities become profit centers

FM was set up as a separate enterprise within the company, which charged departments for space. The more space you want, the more you pay. The internal facility management group makes more money on that basis. In addition, the facility manager is responsible for estimating the total space required...and takes risk on that calculation. If they hit above that mark, the department posts a profit. If not, the FM will go outside to negotiate with other companies to use space.

FM will also look for alternative sources to finance construction like bonds and grant writing. The value of the FM is that he/she will understand the user groups and their relationships to each other.

FM will also outsource and compare costs. They will have some kind of incentive for savings on materials and utility fees. If expenses are reduced, the department retains the savings.

Facility management has an excellent image

Imagine a blockbuster movie starring Bruce Willis in which he is able to organize the chaos of a difficult situation at the Bank of The Netherlands. He's able to avert disaster by finding terrorists on the property using technology. In this movie, facility management has made an impact on the bottom line by saving many guilders. The value of the facility manager is recognized as bringing structure to chaos. Companies who have problems are able to rely upon facility managers to organize things.

Facility managers a corporate asset

FM of the future would focus on the following: promoting themselves, what they do (internal public relations), out in front of their senior management to get buy-in, formulating a facilities plan every year and integrate into the overall business plan, and benchmarking progress year-to-year and against the competition. This future presents an opportunity for facilities to become an asset that attracts and retains intellectual capital in a labor-constrained environment.

D. AREAS OF UNCERTAINTY FOCUS ON THE AMBIGUITY OF “FACILITY MANAGEMENT”

Experts participated in an imaginative exercise that allowed them to ask one question of a facility manager from the future. Their questions provided insight into important areas of the profession as well as areas of uncertainty or ambiguity.

Role of the facility manager

- Has FM elevated itself to become the main profession with things like real estate, engineering, shared services, or will it fall under the real estate professional category?
- Do facility managers still have a role within their organization? Does IFMA still have a profession to represent?
- Is there going to be one sole source of providers (number, type, consolidation)?
- What is the role of FM in areas such as security for terrorism, hacking (Internet), and data integrity?

Technology

- To what extent has the Web changed the way we do business?
- What technologies have advanced, and how have they impacted the FM?
- Is technology, at last, user-friendly?

Human capital

- Are people still working for corporations or are they contractors?
- Are people happy with their work? Do they have a positive attitude toward work?
- Is there a way to manage and monitor workplace productivity – and the impact of the workplace upon that productivity?

Workplace

- Is the number of traditional brick-and-mortar facilities increasing or decreasing?
- Was telecommuting a success?
- What locations have proven most popular (CBD, new cities)?

Energy

- Did we discover alternate sources of energy?

F. THEMES FOR FUTURE IFMA PRESENTATIONS

Experts were challenged to develop a series of presentations for 2001. These reflected some of the major themes will uncovered during the session. In addition to major themes regarding the impact of technology, real estate and finance discussed in 2000, experts recommended IFMA present on the following topics:

The shared services model: Services aren't just for the corporation; they're for the employees. Since facility managers are part of shared services, they need to be prepared to be employee/customer-focused.

Transition from tangible to intangible world: Facility managers are no longer managing only physical assets, but people and information resources as well.

How to prepare for economic slowdown: Facility management must become a competitive business activity. In order to demonstrate results, you must measure, benchmark and adapt best practices.

The softer side of facility management: Interpersonal communication and team-building.

Take charge to reach for higher goals: Additional training is necessary. You need new skills now. It's up to you to change the image of the profession and enhance your contribution to your companies. The education for you and your staff is a life-long process.

How FM can help employee retention: The work environment as an extension of the corporate brand and how the facility can act as an enabler.

FM as change and change agents: Financial change over time is very fast. Technology comes after that. The human element lags behind both. As the technology and financial markets change, our minds won't catch up.

Sustainability solutions: Sustainability is becoming a bigger problem. The trends are pointing toward stronger environmental policies. We are looking to other countries (e.g., European model) for holding businesses accountable for waste.

The facility manager as internal consultant: Your job is increasingly like an internal consultant. It's moved from transactions to thought-partnering. I'm not just here to keep lights on; I'm here to help other parts of the organization solve problems.

Generating corporate value: Pioneering technology, measuring productivity of knowledge workers and providing information for corporate strategic planning.

Learn about FM (for non-FM professionals): Talk to a different group to replenish the profession on a lower level and generate excitement in what facility managers can accomplish.

New theme in technology: e-Procurement

Workplace security

Robin Thompson, Thompson Training & Keynote

Employee retention – I've been working with FM departments for one and one-half years. Fun plays into this. If a workplace isn't fun, then employees won't come to work. People who are left after a layoff – your best employees – are left with feelings of guilt. This is an issue with FM departments as outsourcing increases. We need our best people to manage contractors.

Team building – Facility managers often have difficulty managing project teams. Managing a diverse set of responsibilities from administration to reception. You also have a diverse set of socioeconomic cultures and have to make all of these people into a team. If they are divided, they will fail. Communication between people is often in the form of e-mails. Many companies have e-mails categorized into information, action, etc...instead of having face-to-face meetings. A lot of team building/communication is missed.

Project management – I interview between six and seven people at a company before speaking. I'm immersed in the company. When I finish the day, my job is done. FM needs to know how to build teams quickly and then disband. It feels like you get hired/fired in the same day. Because everything is outsourced, you need to be able to relate to people quickly.

Implications: Self-motivated employees seek to make a difference in the world. In the future, employees will ask the question: Why should I put "me" into this organization and just get laid off? Find a way to provide employees with a feeling of control and reduce their stress.

Debra K. Smilski, CFM, Deloitte & Touche

Deloitte and Touche's Corporate Real Estate Practice has created a model to integrate technology, process and people. The successful design aligns all of these things. We have developed SmartSpace (video). Given our mobile workforce, this is our way of doing business:

Service – This is very important, as the workforce is very nomadic. They're out on the road. D&T provides adaptive support at different service levels to employees. This is key to employee success. The workplace changes should be transparent to the user. They need to have confidence in the system when they travel. We're training service staff so people don't have to run around the office to find things.

Flexibility – This means a work/life balance. Employees have the ability to work at home rather than come in. It also provides a place to deal with clients. New paradigm – one workplace, one person. You can serve a client from anywhere.

Redesign – This is all part of the solution. Flexible, connect work process and work product. Put a reservation online to book workspace and meeting rooms. Using "work-walls" instead of work surfaces – put things on the walls (paper trays, white boards).

According to a recent ASID study, physical workplace is one of the top three reasons for recruitment and attraction. The others are company and compensation. Most employees stay around for five years. People are excited about their jobs during the first

year, but over the course of five years they start evaluating their options. That's the human element.

Nash Hasan, Oregon Health Sciences University

With all of my different roles in life, my relationships are best represented by a web. I have a work life, association life and social life. It's all connected.

Organization

- Merger – 80 percent of business in Portland is generated by companies of employees of 20 employees or less. Smaller or bigger could go back and forth.
- Diversity –it's no longer easy to classify companies.
- Nationalities – intellect is all over the place (we have a diverse population).
- Program/complex – complicated programs coming in. Industries more specialized.

People

- Training – we're not spending enough in training because of the pace of business. People have not picked up trade from older generation.
- Motivated – motivations differ between markets.
- Values – different areas of the country (and world) hold different values.
- Teams – people now are more into groups. A lot are even group dating.
- Fun – people want to have fun.
- Stress – emerging professionals (25-40) are not having fun.

Work

- Change – regulations, environment, etc...Change is the norm.
- Project management – PMI is exploding in membership. Project management is no longer just a construction or military thing. There's now a fast track process versus a plan. Don't worry about whether it worked or not; get it first to market. Get the user in the building first, then we'll fix it.
- Energy – no return from current situation. Energy will become a major focus.
- Outsourcing – I outsource things I don't want to deal with anymore.
- Temp agency – We want a reliable workforce. Shift burden to another agency. Could have profound effects upon warehousing, facilities, etc...Security is 100 percent outsourced. I want 24/7 coverage.

Facility manager

- Process – don't be the process; manage the process. Be fluid to cope with the change and fast-moving targets. Understand, manage, implement.
- Roles and responsibilities – construction, maintenance, administration. Our job is to cover so many items. With changes occurring so fast, we have to operate in a web environment (mentally). Self-managed teams are also important. This frees you a lot from day-to-day management.
- One day you act as a manager, one day as a leader. The verb out of "manager" is manage, "leader" is lead. "Manage" means makes sure it gets done right.
- Technical management – people and process delivery.
- Speed and connectivity – no 8 to 5. Try to mix fun with work. Meet me at Starbucks. 24/7 – my life is the Web – combination.

Associations and membership

- Like to have fun. Like to get information.

- Education programs need to connect people more than email and web site. What information do I need compared to the zillion other things I need. I've got too many important things to do rather than browse the Web.

Matthew Stubbs, Regus Instant Offices Worldwide

Regus provides efficient office space and offers everything from carpet and copiers to phone systems and staff. We help companies reduce their capital risk by leasing office space and subletting it to clients. This usually represents a 66 percent savings on administrative staff, mail, telecommunications equipment, etc...We also provide flexibility as contracts are offered from half-day to five years.

Current trends influencing office users

- Shifting power base within corporations – world's most successful companies have campuses. Floors have public game rooms and group workspace.
- New "cool" space in desirable cities. Many companies are moving where other new economy companies are located. They are looking for a variety of leisure activities and other amenities in a city. Within the city, employees are looking for the shortest possible commute. Because of this, central business districts can't compete. We're seeing shorter buildings with a campus atmosphere that integrate external elements (e.g., gardens, open windows, etc...).
- Floor layouts are moving away from offices to partitions. There's also a high degree of integration of information technology into infrastructure.

Facility management in the future

It looks like facility management's worst nightmare: customers will demand the impossible, want the latest version of everything, installed today, at last year's price.

- Have facilities close to homes of workers – smaller facilities distributed throughout a region – a hub and spoke model, but large corporations will always have corporate offices for administration
- Provide rapid set up entry and exit. Set-up becomes so important because time is money. If it takes six months to move in, you will waste one-third of the typical 18-month product life cycle. Once a project team is disbanded, you must be able to walk away. More and more companies access property through an intermediary. Companies must be willing to accept mass customized space
- Adapt to suit different user groups overnight. Facility managers must help employees become more productive, reduce move time and downtime. Voice/data/power/air connections through wall systems are not flexible enough. Systems will move toward raised floors like most buildings in Europe. Use removable wall panels, not sheetrock.
- Lower cost and higher productivity are demanded. Companies are looking for increased efficiency, competitiveness. Hotelling is a great way to reduce costs. The ideal for a company is the sticky office environment to encourage employees to stay at work longer, work harder. The average knowledge worker creates \$200,000 per year – support costs (\$10k), IT (\$10k) = \$20k; if you reduced costs by 1 percent, that's only \$200. However, if you were to increase productivity by 1 percent, that's \$2,000 – a 10 times greater return.

Facilities managers will need to learn to be quick, flexible and sticky – and work close to home.

Brian Swain, McKinsey & Company

1) The McKinsey Research & Information Group is responsible for all research conducted by study teams:

- Analysis of quantitative data
- Qualitative searches and synthesis
- Industry and functional expertise
- Management and development of the firm's KM infrastructure

2) Typical areas in which FM issues are explored

- Energy consumption, usage profiles, by industry segment/sub-segment (DOE, IFMA, BOMA) – it's rare not to be able to find information
- Strategic and operational concerns of small business vis-à-vis FM, how they procure services, manage costs, etc...what is the target audience for FM services? What about small and mid-size businesses?
- Impact of outsourcing – opportunities, results, best practices
- Construction best practices used by major retailers
- Survey of security service providers
- Search for companies who have expended scope of services of FM areas (e.g., energy providers). Also searches for FM service companies looking to expand into other areas
- Information on waste handling processes and suppliers
- Key FM challenges for numerous small and mid-market sectors (bakeries, dry cleaners, restaurants, grocery stores, etc...). Where do they obtain service? How?
- Evaluate the changing impact of energy regulations on company FM and other operating costs. How much does it cost [type of store] to comply with new regulations?
- Number of buildings in [state] by square footage, utility area and age, as well as details about their energy management systems

3) What themes and conclusions emerge from this research?

- Small and mid-market companies are becoming an increasing target for FM service providers (and wanna-be FM service providers)
- As a result, numerous non-FM players are trying to expand into this field.
- Emergence of some new (or increasing) areas of focus (e.g., waste handling)
- Continuing strong focus on the energy side of the FM business, including the appearance of numerous new players
- Impact of regulatory changes on FM strategy (e.g., CA, NY later this year)
- Increasing range of outsourcing choices
- Continuing impact of technology (e.g., remote facility operations)

Chris Keller, Integrated Data Solutions

1) How is your profession changing today?

- Computer-aided facility management systems
- Integration of business – focus on information
- Provide corporate value – not just service
- Free agent staffing and outsourcing
- Lead, evaluate and performance not manage the task or process

What is impacting the change? Technology allows it to occur, business demands it.

2) What steps or processes are being implemented to prepare for the change?

- Education
- Strategic planning
- Piloting, testing
- Integration of disciplines

3) The future in the next five years

- Consolidation – large companies providing diverse services
- Combining technology, finance, business process and knowledge management
- Evolution from collecting data to analyzing data to filtering data to developing business information

How will this affect your interaction with facility management? Proactively provide business + technology solutions

One thing that currently does not affect facility management, but may so in the next couple of years, is customer-defined standards and processes as well as services. Customers will be able to configure furniture and space online.

Space is a key management tool. It is now out of the control of the manager, but technology will allow things like that to occur.

1) Technology Today

- The Palm
Intention - address book, calendar, note pad
What it has become today – phone, scanner, web interface, database interface
Tomorrow – CAFM/CIFM, PC of the future, EPR, voice activated
- Web
Project management
B2B, B2C
Future – managing performance not tasks – measure it through technology
Application Service Providers – all hardware, software and data managed, maintained and run by external entity
- Integration
Active X – MS software can integrate data, Sun did it with StarOffice
Active Agents – automate the process of information transfer between devices

2) Technology of Near Future

- Integrated Systems – interoperability

- Universal translators (phones) by 2010
- Computer/phone clothes
- Blue Tooth
- Oxygen – handheld device communicates messages, finds people in world, provides a meeting
- Integrated Business – metrics – 3-D graphing software for analysis
- PDA with skins and thumb readers
- Sunglasses with computers
- Tube that is both screen and input device
- Pen with GPS and Blue Tooth to enter directly into computer
- Office with thin wall with customizable screens (pictures of families)
- Design car's interior the way you want it

3) Technology of the Future

- Bio-genetic – engineering implants
- We can't predict the future (even if we know what technology will be released over the next 20 years – and we do). Everything will change rapidly and will always be faster than yesterday.

The only chance to survive is to:

- Ready, Aim, Shoot – NOT
- Ready, Shoot, Aim – Yesterday
- Shoot, Shoot, Shoot or Act, Evaluate, Adjust –
- You must get it right the first time with not enough information or time
- A bad action is better than no action
- An early bad decision is better than a late good decision

Keys for survival:

- Remove the ego from the decision so that yesterday's good decision can transition into today's good decision (which is always different)
- All decisions are good and bad – all need to be adjusted
- Evaluate the strengths based on the current environment
- Adjust as quickly as you can to the changes

Bottom line to implement technology on the following criteria:

- You don't know the best way to use it, pilot, adjust, implement, then evaluate and adjust continuously
- Select technology based on flexibility not features
- Before the sale – whatever they say it can do, it can't
- After the sale – whatever they say it can't do, it can
- Whatever the needs are, they will change

Technology is obsolete before you buy it

The process is obsolete before you know it

The only certainty is change

The only solution is to facilitate the change

Business as usual is no longer accepted

- Passive to active:
 - Partnership with consumer instead of provider – like restaurant services
 - Taking over role of the client in value-chain – the customer is using your service
 - Offer to take over fulfillment to help him through process
- Added value
 - Broker instead of service provider, bringing parties together instead of providing services...find parties who deliver supplies, organizing all of the activities
 - Added value to the core is key. Restructure internal processes – be known as the guy to structure chaos
- Flexibility is a must
 - Cost center/outsourcing – build flexibility into your service

The world is changing, so is FM

- The speed of core business 24-hours
- Entrepreneurial behavior of our corporate clients – offer different service levels
- Free market feeling within the company – want the feeling of freedom in the market
- Four out of 10 instead of two out of three – don't mind failures since you've had a more successes (four) rather than just two
- Radiolan, blue tooth way of thinking – think about tomorrow to solve problems
- Size of the workforce – going down – less people available to do the work, the employer of choice

Opportunities instead of threats

- Account management, competence centers, know what your customers want
- Bring corporate real estate to board. Get real estate items on board table. Have a real estate plan. Discuss one per year
- Communication tools: Web site, department buildings. Speak to people to keep customers
- Benchmarking: They will ask why the costs are so high; costs of the goods are the real costs or market costs

FM never will be core but becomes key

- Product-driven to customer-oriented
- Selling lease-like services – integrated products rather than one workplace, fix a lease price to it, includes standardized PCs (so it's all the same)
- Environmental impacts – forced to use off-white paper, solar energy
- eProcurement – virtual catalogs, use in banking business
- Wireless LAN – without cables
- Office as social meeting point. If we are going to have a workforce doing work at home, workplace becomes place for them to interact

Dynamics is instead of services

- Restructuring in FM organization
- Trust, freedom and responsibility
- Networking within the organization
- Competence sharing
- Doing pilots to gain competence. Get experience and then roll-out to business

Facilities services is FUN

- Domestic activities (www.homerun.nl)
 - Dry cleaning
 - Car washing
 - Babysitting
 - Grocery deliveries
 - Barber services
 - Breakfast services
- Show business
 - Fashion show
 - BBQs
 - Social dancing
 - Indoor office golf tournament
 - Etc...

Jeffrey Woolf, Cushman & Wakefield

1) Historical Perspective

- Local geographic emphasis
- Transaction orientation
- Small localized or regional providers
- Poor platform of services
- Research incomplete, no uniformity
- Lagging in technological innovation

2) Reasons for Change

- 1990-1995 recession
- Reductions in corporate real estate staff
- Corporate clients are demanding more
- Consolidation of providers
- Providers need to have a global scope
- Technological innovation with ASPs

3) A True Consultative Role

- Strategic planning
 - Pro-active role
 - Analysis and modeling
- Existing facilities evaluations
 - Portfolio analysis
 - Valuation advisory
- Market Evaluation/Research
 - Market surveys
 - Demographics
- Lease / Portfolio Administration
 - Lease auditing
 - Database installation and administration
 - Transaction Management
 - Site and facility acquisition
 - Tenant representation
- Financial Analysis
 - Modeling
 - Present value
- Project Management

- Base building and tenant improvement development
 - Construction auditing
 - Asset Management & Control
 - Building operations
 - Strategic consulting
- Preparing for the Future
- Expansion of service choices
 - Web-based services tailored to achieve corporate goals
 - Two parts – three to five very large internationally, every one else will be a boutique
 - A complete suite of service choices
 - A global view of real estate needs
 - Innovative approach to problem solving

The Next Five Years

- Web-based everything!
- Value-based management
- Accelerated focus on total outsourcing
- National office lease (contract standards)
- Corporate infrastructure resource management
- Workplace performance measures
- Aligning corporate real estate with business unit strategies
- Refining industry standards
- Reductions in brokerage companies
- Skills sets change to more process management/account managers
- Increasing service area enhancement

Brokerage and Facility Management

- Partnering with your service provider
- Increased communication in project/transaction management (extranet)
- Reduction in costs
- Wide range of service choices
- Increased efficiency of work product

Web-Based Services and Innovation

- Project management
- Property management
- 24-hour business

There is a big need for better grasp of technology. We're all moving too fast. We go everywhere at once. We don't have time to take a call.