

Facility Management Forecast | 2007

Exploring the Current Trends and Future Outlook for Facility Management Professionals

International Facility Management Association



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PREFACE

Understanding the Future of Facility Management

One of the International Facility Management Association's objectives is to provide and engage stakeholders with opportunities that expand and leverage their collective knowledge and experiences. To further this objective, IFMA periodically sponsors a forecasting workshop to examine the emerging trends and issues that will influence facility management professionals in the coming years.

About the Study

A panel of industry experts was invited by IFMA to represent various industry sectors and constituencies of the facility management profession. The panelists selected for this year's retreat represent various areas of concern to facility managers today—corporate real estate, government policy, energy, security, technology, human resources and work space issues. A total of eight participants attended the forecasting session; 10 were invited, but two experienced weather delays and were unable to join the conference. The two-day conference was held in Houston, Texas at the Houstonian Hotel & Conference Center on Feb. 16 and 17, 2007.

The panelists attending the conference were:

- Barbara Armstrong, principal with Kahler Slater (Interdisciplinary Design) (Milwaukee, Wis.)
- Robert Chartier, vice president of AlliedBarton Security Services (Pittsburgh, Pa.)
- William Daigneau, vice president for operations and facilities management, University of Texas M. D. Anderson Cancer Center (Houston, Texas)
- Sue Markham, FASID, senior facilities administrator and interior designer, Gulf Power Company, A Southern Company (Pensacola, Fla.)
- Sam Rabon, vice president of sales, Planon Inc. (Boston, Mass.)
- Jon Seller, general manager, Optegy Limited (Hong Kong, China)
- Valerie Short, CFM, national specialist for federal planning, Jacobs Advance Planning Group (Arlington, Va.)
- Brenna Walraven, RPA, CPM, executive managing director, national property management, USAA Real Estate Company; chairman-elect, Building Owners and Managers Association (BOMA) International (Irvine, Calif.)

The panelists unable to attend were:

- Tim Cole, director of environmental initiatives and product development, Forbo Flooring, North America (Hazleton, Pa.)
- Jennifer Schramm, manager of the workplace trends and forecasting program, Society of Human Resource Management (SHRM) (Alexandria, Va.) (Presentation summary is included in the Appendix.)

The facilitators for this retreat were:

- Kurt Neubek, CFM, FAIA, LEED AP
 - Anthony Wright, AIA, LEED AP
- They are both with PageSoutherlandPage, Architects|Interiors|Consulting|Engineering (Houston, Texas).

IFMA representatives attending the conference were:

- David J. Brady, president and chief executive officer
- Shari Epstein, associate director of research
- Alan Thomas, CAE, executive vice president and chief operating officer
- Donald Young, APR, vice president of communications

EXECUTIVE SUMMARY

Objectives

The specific objectives of this forecasting session were to:

1. Provide insights to help IFMA maintain its leadership position regarding the future of the profession.
2. Identify how IFMA can help prepare members for the most relevant issues anticipated in the future.
3. Understand the changes that facility management professionals will face in the future.
4. Assess what skill sets facility management professionals will need to stay competitive.
5. Recommend what facility management professionals should do to position themselves for changing industry trends in the year ahead.

Executive Summary

This is an exciting time to be a facility management professional. Although facility management professionals will face more challenges than ever before, they have greater opportunity to add value for their customers through efficient management and improved technology.

The 2007 IFMA forecasting retreat highlighted the many challenges that await the facility management professional in the coming years. The increasing pace of business and the continued materialization of the global marketplace ensure that the overall size of the playing field that facility management professionals oversee is growing. Most of the key topics have been identified in previous forecasts but continue to be relevant and significant. These include: rapid pace of change, changing technology, building automation, security issues and sustainability. Other issues have been discussed before but the emphasis may have changed, such as the importance of linking facilities with business strategies, developing approaches to deal with aging building stock and the importance of advance planning for disaster preparation and recovery. While these are not new ideas, they have a greater prominence in the world that facility management professionals face. Although this wide range of issues may appear overwhelming at first glance, facility management professionals have the opportunity to impact user expectations and leverage the tools they currently use to better provide customers the wide range of services they have come to expect.

Environmental factors, like rapid population growth and continued limitation of energy resources, indicate that facility management professionals will continue to be challenged to do more with less in the coming years. The world's population continues to grow at a dizzying rate, having doubled since 1960 and more than tripled since 1927. The population is expected to reach 9.2 billion by 2050.¹ Nearly all of this growth is anticipated in less-developed countries—which already struggle to allocate resources—while the population in industrialized countries is expected to remain fairly stable. Such population growth will create an unprecedented demand for resources, especially in Asia and India. Incorporating sustainable building technologies that utilize existing resources more efficiently and are robust enough to function in challenging environments (e.g., fluctuating power sources and often a limited pool of trained operators) will be crucial to supporting the rapid growth expected in many developing countries. These challenges will be of primary concern for facility management professionals in developing countries, while facility management professionals in North America are likely to experience increased competition for building resources and find greater demand for their services in overseas markets.

Another challenge facility management professionals will face stems from the greater amount of attention demanded by the aging building stock they manage. As facilities and mechanical systems reach and exceed their expected operating lives, significant issues of repair or replace must be addressed. Facility management professionals will need to utilize newer, more efficient technologies and dovetail these with existing systems already present in their facilities' portfolios.

¹ Leisinger, Klaus A. "World Population Growth in 2006: New Trends, Old Issues," Express Newsletter, September 2006. Novartis Foundation for Sustainable Development.

EXECUTIVE SUMMARY

The increasing diversity of the workforce will present another significant challenge to the facility management professional. In developed countries, one-fifth of the population is currently 60 years or older; by 2050, that proportion is expected to rise to almost a third. In developing countries, the proportion of the older population is expected to rise from eight percent to almost 20 percent by 2050.² Ergonomics will also become a greater concern for facility management professionals as they will be required to accommodate a wider range of ages and physical abilities. Similarly, the cultural and generational preferences of this diverse workforce often manifest themselves in distinctive working styles that will become increasingly important to all facility management professionals, whether they manage just one facility or a large portfolio that spans several countries.

One of IFMA's stated objectives is to provide career essentials for facility management professionals. This includes developing competencies in key areas:

- Operations and Management
- Facility Function
- Real Estate
- Finance
- Human and Environmental Factors
- Quality Assessment and Innovation
- Planning and Project Management
- Communication
- Technology

The panelists selected for this year's forecasting workshop represent various areas of interest to facility management professionals today—corporate real estate, government policy, energy, security, technology, human resources and workplace issues.

Top facility management professionals will address issues of today and the emerging ones of tomorrow, and will proactively develop different skill sets than they possess today. They will be required to assess, analyze and communicate to building owners the facilities' impact on these issues.

To properly prepare for the coming year, facility management professionals should carefully assess their current competencies in the top issues that emerged from the retreat:

1. Linking facility management to strategy.
2. Emergency preparedness.
3. Change management.
4. Sustainability.
5. Emerging technology.
6. Globalization.
7. Broadening diversity in the workforce.
8. Aging buildings.

Addressing the trends presented here—through consideration, education and preparation—will arm facility management professionals with the necessary tools required to face the challenges ahead.

² "Population Issues: Meeting Development Goals," www.UNFPA.org/pds/facts, March 2007.

FINDINGS AND FORECASTS



Findings and Forecasts

The *top trends and decision drivers* facility management professionals will face in the coming years are listed below, presented in order of importance as assessed and ranked by those in attendance at the forecasting workshop. The corresponding demands on facility management professionals (the actions they should take) and the specific challenges often faced, follow each issue.

Trends/Issues

TREND NUMBER 1

Linking facility management to strategy—*including workplace culture and branding*

Since IFMA's formation and early research into the roles of facilities and facility management professionals began, it has been clear that a critical facet of successful facility management is the ability to link the role of facilities to an organization's core business strategies. In the coming years, we believe this will be of even greater importance. Physical facilities can have a large role in determining productivity, supporting innovation, efficiency, employee satisfaction and public perception of an organization. Every dollar invested in improving and maintaining facilities must be analyzed for return on investment (ROI).

Demands on facility management professionals:

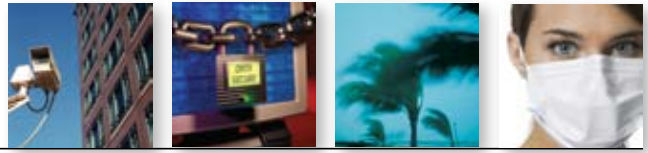
Ensure that facilities support the business culture and brand.

- provide a sufficient and measurable return on investment.
- help differentiate the organization to recruit and retain the best people.
- have a clear vision and understanding of long-term corporate business strategy rather than a short-term focus on tactics.

Learning challenges/opportunities for facility management professionals:

Importance of linking facilities with core business strategy.

- it is sometimes difficult to prove and communicate the value of facilities (constantly changing).
- speaking the language of the C-Suite (highest-level executives, e.g., Chief Executive Officer, Chief Operations Officer, Chief Financial Officer, etc.) may require diversified training.
- a shift in the belief that facilities are an effective component of business strategy and more than just the cost of doing business is required.
- understand the complexities associated with strategic facilities planning/budgeting.



TREND NUMBER 2

Emergency preparedness—*including (but not limited to) basic safety and security, acts of terrorism, natural disasters, workplace violence, chemical/biological incidents, pandemic crises, data protection*

The topic of preparedness often brings to mind emergency planning, but it encompasses much more than that single aspect. This topic encompasses a wide spectrum of issues that can affect a business and its employees. Advance planning and preparation are important in minimizing the disruption—and speeding the recovery process—that often follows such an event. In the wake of large-scale natural disasters that have occurred in recent years, facility management professionals have seen evidence that outside sources of help may be slow to respond, placing more importance on self-reliance.

Demands on facility management professionals:

- analyze vulnerabilities.
- develop and implement protection strategies.
- develop response plans in advance and communicate them to all stakeholders.
- leverage resources (both dollars and people).
- implement training and practice drills.

Learning challenges/opportunities for facility management professionals: *Preparedness.*

- difficult to quantify value of advance planning to core business (to justify expenditures).
- must plan for core business as well as failures of other supporting infrastructure (i.e., expansion of what it means to be prepared).



TREND NUMBER 3

Change management—*including changes in operations, construction escalation, continued demand to increase efficiency, regulatory changes (local codes and regulations will vary by region/country)*

Change has always been an inevitable force, but the quickening pace of change that has developed with the digital and technological revolutions of recent years has added a new level of complexity to this subject. Operational (process) change in an organization's core business may require significant and rapid facility responses. Response to regulatory changes has been gaining in importance in recent years. In the U.S., the Americans with Disabilities Act (ADA) and related regulations will likely play a larger role as the American workforce ages and works longer into the period previously thought of as the traditional retirement years. Facility management professionals must become educated about regulatory acts (in each country in which they work) that will continue to add layers of complexity to the business environment.

The rapid pace of change will necessitate that facility management professionals develop skill sets that cover a variety of areas:

- Security
- Strategic planning
- Energy management
- Productivity measurement
- Negotiation strategies
- Sourced services management
- Project team building
- Innovation
- Motivational training
- Cultural diversity
- Entrepreneurial value
- Adaptability
- Multi-lingual capabilities

Demands on facility management professionals:

- work closely with tenants/users to anticipate changes and ferret out “stealth growth” (i.e., the appearance of unexpected new employees, typically contractors) as early as possible.
- develop timely and cost effective facility responses and options.
- provide proactive analysis and strategies for saving time and money, both in operations and in move/change/adds, expansions and relocations.
- build in flexibility.
- don't over-customize.
- recruit, train and maintain a top work force.
- allow for scenario planning without tradition, emotion and legacy issues as an element of decision making.

Learning challenges/opportunities for facility management professionals:

Master change management best practices to foster smooth and orderly changes.

Keeping pace with the rapid pace of change.

- speed of change creates a moving target; inherent resistance.
- examine existing building stock and aging furniture, fixtures and equipment (FFE) for flexibility to accommodate change versus tight budget constraints.
- develop/maintain prearranged strategies to effect changes quickly, such as real estate and lease options, outsourcing agreements, contracts for furniture, fixtures and equipment, etc.



TREND NUMBER 4

Sustainability—*including environmental responsibility, energy management, investing in high performance systems, indoor air quality issues*

Sustainability continues to grow in importance and has rather quickly moved from an optional nicety to a fundamental requirement and expectation across many industries. The rapid pace of development, especially in Asia, makes environmental depletion of resources a growing concern. For facility management professionals, energy conservation remains the greatest long-term method of stretching limited resources (as opposed to developing new technologies). High-performance buildings can have a significant impact on facilities' operations within the workplace environment, and concern for indoor air quality is gaining wider recognition. Although conformance to ratings systems is certainly not required to maintain high-performance facilities, facility management professionals may find that adherence to these emerging programs brings public recognition (and easier marketing), thus simplifying the facility management professionals' role.

Demands on facility management professionals:

Learn about LEED, ENERGY STAR and other high-performance building ratings systems and initiatives.

—ability to make a business case for sustainability.

Establish programs to reduce, reuse and recycle.

Develop/maintain technical skills expertise.

—operational expertise is critical to building performance.

Perform commissioning and retro-commissioning to ensure that “you’ve gotten what you’ve paid for.”

Learning challenges/opportunities for facility management professionals:

Sustainability.

—industry frequently suffers from a general lack of education about technological changes and new product development.

—difficult to quantify value (ROI), show business case (although the number of built projects and case studies continues to grow).

—become more aware of cultural differences (idea of conservation not as important in some countries).

—sort through conflicting initiatives (from various countries/communities); there have been about 30 different competing programs/accreditations in the U.S. in recent years, although LEED appears to be the emerging leader.

—“Which ones are important, and which ones are passing fads?”



TREND NUMBER 5

Emerging technology—*changing user/tenant needs, changing building technologies, Building Information Modeling (BIM), Integrated Workplace Management Systems (IWMS), underutilization of current technology, obsolescence*

As more complex building systems, meant to automate building operation systems, gain momentum in the marketplace, more technologically savvy building operators are needed. A significant challenge to facility management professionals is to manage the multiple systems in operation and utilize these systems to their fullest potential. Proper initial commissioning, followed by periodic tunings, will become increasingly more commonplace. More and more buildings are being designed using BIM software, which links model-based drafting technology with a database of project information, creating a virtual information model that can be passed from design team to contractor to building owner. Facility management professionals will be expected to manage facilities based on, and extending, this model. Development of common platform software that channels various information sources through a common portal—Integrated Workplace Management Systems, or IWMS—is a potentially effective tool for the facility management professional.

Demands on facility management professionals:

Generally keep abreast of changing technology.

—communications, BIM, IWMS.

Work closely with tenants/users to anticipate changes.

Build the technical skills expertise of building operations personnel.

Use technology as a hook to attract young professionals to the facility management professional role as well as to facilitate data and information sharing.

Learning challenges/opportunities for facility management professionals:

Emerging technology.

—rapid pace of change; compatibility, complexity, obsolescence.

—initial investments in new methods versus maintaining old systems that work, continuing the legacy of systems that may not be efficient.



TREND NUMBER 6

Globalization—*increased infrastructure; the need to bridge larger physical operating distances; facilitate productive work across various geographic locales; address differences in mobility, communication tools, culture, languages, laws, regulations, measurements, educations, etc.*

As world markets continue to expand and the competitive field for companies enlarges, facility management professionals will be asked to provide a seamless workflow across a wider range of environments. Geographic barriers, cultural differences and changing regulatory environments are just some of the issues that must be addressed.

Demands on facility management professionals:

Utilize the resources of IFMA, which is represented in 65 countries and is engaged in a number of international collaborations.

Evaluate and understand who the competitors are in the global marketplace.

—what steps are required to remain competitive within the current market?

Use your facility to differentiate your organization to avoid becoming a commodity.

Be proactive in establishing performance/measurement standards (where none exist).

Learning challenges/opportunities for facility management professionals:

Global business.

—lack of experience with cultures; changing expectations of other cultures (especially Asia); need for 24/7 responsiveness to ensure speed and efficiency.

—current issues include geographic barriers, cultural differences, differing workplace expectations, changing regulatory environments and significant challenges related to demographics.



TREND NUMBER 7

Broadening diversity in the workforce—aging workforce, different work styles

Expanding economies have created the need for greater numbers of workers and a greater range of skills than ever before. As the Baby Boomers approach retirement age, the marketplace faces the most diverse workforce ever encountered. More minorities are entering the workforce. Unique generational working styles are creating more challenges for facility management professionals. The large number of mature workers makes ergonomics and accessibility more important issues for facility management professionals.

—labor shortage

Despite exploding population growth in many regions, facility management professionals are likely to face shortages of skilled labor in certain areas.

—IFMA membership demographic requires broad based approach to attracting the next generation of facility management professionals.

Demands on facility management professionals:

Promote leadership development and transition planning.

Maintain sensitivity to variety of workers and work styles.

Recognize “flexible standards;” one size may not fit all cultures, generations, genders.

—diverse expectations of the workforce.

—recent trends of loss of loyalty from younger workers, increased pressure to customize responses, and loss of control and efficiency.

Recruit and train skilled labor pool in key areas.

Develop training programs (at local universities, trade schools, etc.) to promote and maintain educational standards across the industry.

Learning challenges/opportunities for facility management professionals:

Issues brought about by changing demographics:

—after retirement age, more former employees are returning to the workforce, and often to the same company, as contractors.

—limited flexibility in pension/retirement rules will affect older workers facing the decision to work or retire.

—lack of transference of skill sets will become more evident.

—lack of experience to manage a diverse workforce.

—professional responsiveness to next generation demands for flexibility, access to data and leadership, and sustainable practices.

Increased expectations of employees that elements formerly viewed as amenities in the workplace (e.g., fitness programs, childcare facilities, employee food service, etc.) are becoming standards in some fields.



TREND NUMBER 8

Aging buildings—*maintenance, replacement issues*

Organizations are facing the largest collection of aging buildings ever encountered. Deferred maintenance has taken its toll on facilities in which funding for repairs has been allocated elsewhere. IFMA research has shown that less than 25 percent have budgeted the recommended two to four percent of current replacement value for routine maintenance and repair. As facilities and infrastructure approach the end of their planned working life, decisions of repair, reuse or replace will be increasingly faced by facility management professionals. Also, the introduction of new materials and removal of materials now known to be hazardous adds to the complexity of the facility management professional's job.

Demands on facility management professionals:

Determine facility return on investment (ROI).

Determine when to reinvest or fold.

- think about the pieces as a whole (managing a portfolio, not individual buildings).
- remove emotion and legacy issues to make appropriate investment decisions.

Develop ability to analyze the condition of aging buildings, including infrastructure, skin, etc.

Develop cost estimate based upon facility condition assessment and determine recommended steps: maintain, upgrade, downgrade or demolish.

Analyze presence of hazardous materials and develop appropriate strategies to deal with these materials: abate, encapsulate or leave as-is.

Learning challenges/opportunities for facility management professionals:

Management of the aging buildings.

- tough to “make the decision” to scrap a building both financially and emotionally.
- determine how to value the impact of flexibility in new facilities compared to the continuation of existing facility reinvestment.

APPENDIX

Topics: (in order of presentation)

Real Estate Management 2010

—*Brenna Walraven,*
USAA Real Estate Company

The commercial real estate market faces mounting pressure to perform as stable, liquid investments rather than the high-risk, illiquid investments of the past. Several critical factors will impact owners and facility management professionals in the future.

Among these critical factors are:

- **Energy efficiency and the environment are increasingly important.** There's a greater demand for environmentally friendly, high performance real estate. Environmental friendliness is no longer just a buzz word; it's a basic expectation.
- **Emergency preparedness.** Facility management professionals need knowledge of preparedness and continuity plans for events such as acts of terrorism, natural disasters (e.g. hurricanes), pandemic illness outbreaks, etc.
- **Regulations and codes post 9/11.** An increase in the amount of regulations that have been enacted may add costs and demand specialized expertise (e.g. New York now requires wider stairs and concrete building cores in commercial structures, and Florida has mandated increased factors for wind loading).
- **Physical building and operational issues.**
- **Changing demographics.** Aging populations and increased immigration will affect the workforce in the future.
- **Leadership development.** There is a need to develop tomorrow's leaders. Involvement through industry associations is a valuable source of training to active professionals. Real estate professionals need leadership skills. Succession planning is also needed.

The projected demand for environmentally friendly, high-performance real estate continues to grow. Mixed-use urban projects are becoming more desirable, but are creating new, more complex challenges for facility management professionals. Knowledge of preparedness issues and continuity planning are important factors, especially as facility management professionals learn that self-reliance is key. Facility management professionals will need to analyze, plan and implement major capitol improvement projects (keeping post-9/11 codes in mind) in the future in order to maintain the vast quantity of aging infrastructures they face.

As business cycles continue to change and grow shorter, corporations will demand more flexible lease terms. As larger players enter the technology arena, facility management professionals should expect to see the benefit of additional investment in research and development.

Demographic changes will contribute to the continued loss of experience in the field, but will provide opportunities for professional growth. Leadership will continue to be the most important skill facility management professionals possess. The most successful companies will be customer-focused and create a sustainable passion for quality service delivery.

Megatrends and Myths: Higher Education Facilities Management

—*William Daigneau, University of Texas M. D. Anderson Cancer Center*

Two unique views of educational facilities are presented:

1. Academic programs and physical campuses are inherently tied together (e.g. programs=space requirements).
2. Desire to maximize facilities return on investment (ROI) means that changing use of space requires: reinvesting capital to alter or modernize the space; abandoning the space; or reassigning the space to other programs.

With these assumptions in mind, several megatrends are examined:

1. Changing student demographics: diverse backgrounds, market segmentation and fragmentation, thus requiring greater customization, is becoming the norm.
2. Access and efficiency: "How can you do more and lower costs?"
3. Technology: can change methods of learning and also significant barriers to entry.
4. Accountability: anticipate increase in government intervention.
5. Green and lean: environmental concern is at an all-time high.

Also, several myths are "debunked."

1. Build for the long haul: technology shifts may make durability less desirable in some facilities components, an asset in other components.
2. Build flexibility into the design: consideration of some elements (bay spacing, floor loading, need for future access to/replacement of large equipment)

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can make facilities flexible to respond to future changes, while concentrating on very specific areas can be difficult to predict accurately and quickly become expensive.

3. Form follows function: the existence of an asset can drive resistance to change and dictate function following form.
4. Deferred maintenance is bad: traditional focus is on maintaining the physical plant (even though this may not be the best solution for changing programs); if you look at a campus as a collection of assets, selective investment in those facilities most suitable for future needs can help maximize limited budgets.
5. Facilities attract students: academic strengths, not physical structures, play a greater role in attracting prospective students. Focusing on good business principles (provide a comfortable learning environment, formulate an exit strategy, and maintain good “curb appeal”) is a wise investment.

Public Sector: Forecasts, Trends and Issues

— Valerie Short,
Jacobs Advance Planning Group

Facility issues emerging from the public sector are likely to be:

Business of facility management

- Asset management: vast amount of government property translates into significant cost savings or expenditures.
- Leasing vs. owning: budget disincentives and legislation often favor costly short-term leasing rather than long-term ownership.
- Budget implications.

Design and construction

- Building information modeling (BIM): facility management professionals and owners can benefit, but must become more educated to maximize the systems’ benefits.
- Sustainable design: LEED mandated in all new construction and substantial renovation projects.
- Energy: small improvements can have a large overall impact.
- ADA: significant changes are coming.

Post 9/11 Issues

- Security: internal and external threats, natural and manmade situations.
- Balancing security: learn from the past, integrate technology with design, and find an acceptable level

of security appropriate for each facility.

- Emergency planning/disaster recovery: advance planning is important.
- ISC design criteria impacts: increased security demands have increased costs and reduced competition among suppliers.

Workplace/Workforce

- Workplace matters (GSA publication).
- Decline of the workforce with age and expertise loss.
- Outsourcing to the private sector.
- Competitiveness with the private sector.

Facility Energy Management and the Impact of Facility Operators and the Shortage of Facility Operators

— Jon Seller, Optegy Limited

Global energy consumption continues to increase, with the greatest increases in demand occurring in developing regions like India and China. Key issues of facility energy management include:

- focusing on improving existing technologies vs. finding renewable energy sources.
- judicious use of potentially unreliable benchmarking data.
- focusing on improving large amounts of existing building stock.

Energy management is primarily about change; leadership, commitment and discipline are needed to manage a successful program. It’s important to remember that there is no one right answer. Each culture has unique requirements, and no single solution without specific tailoring is appropriate.

Areas of opportunity include:

- Technology step change—today’s equipment can be much more efficient than that made several years earlier.
- Operational change—although it is easier to operate equipment, it’s much more difficult to understand how to run it efficiently and realize maximum benefits.

Success factors:

- Robust system design: failure of one piece shouldn’t lead to excessive energy consumption.
- Effective commissioning and maintenance.
- Maintenance accessibility.
- Ability to turndown the system in slow periods.
- Plant efficiency.

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- Designs that avoid simultaneous heating and cooling.

Typical problems include poor control and lack of commissioning or maintenance. A shortage of skilled plant operators is frequently found, especially in the quickly-growing Asian market. A vicious circle often results, with budget pressures necessitating deferred maintenance, and the resulting symptoms leading to higher operating costs, which lead to greater budget pressures.

One opportunity is for IFMA to consider a mechanism or strategy for developing the technical skills layer needed in facilities. Development of a certified accreditation, like Facility Operations Professional, would be one way to certify experience and add value to the system.

Facility Management Technology Trends

—*Sam Rabon, Planon Inc.*

Facilities management isn't just about managing buildings or assets, it's about managing the customer's needs.

Recent drivers in the facility management field include:

- Increased flexibility in the workplace (only 40 percent of work occurs at the desk)
- User-centered facility management.
- Development towards one facility management process across diverse portfolios.
- Integration of facility management into total workplace management.
- Life cycle analysis per facility.

Web-based facilities technology has been evolving since the early 1980s. As facility management professionals utilize multiple systems, data migration between these systems can be cumbersome and a significant challenge. An Integrated Workplace Management System (IWMS) is a common platform that allows the facility management professional to organize and process information from multiple fields: facilities/space utilization, corporate real estate/lease administration, maintenance management, service management. One challenge facility management professionals face is to actively respond to the rapid changes in information technology that companies are experiencing; IWMS is one tool that helps facility management professionals deliver the right tool to the right user at the right time.

Recommended actions include:

1. prepare your facility management organization for coming changes—prepare for the storm.
2. make your organization, buildings and assets as flexible and agile as possible.
3. implement adequate information structures based on standard procedures now.
4. start offering your customers integrated workplace management—employee self-service.

Emerging Trends in the Contract Security Industry

—*Robert Chartier,
AlliedBarton Security Services*

The demand for contract security services is anticipated to grow in the U.S. in coming years. Despite a slight downturn in overall crime rates, the increased growth of violent and property crimes—and the continuing trend of outsourcing proprietary security functions—is driving this growth.

Perspectives on security have changed since 9/11; industry changes occurring since then include:

- federalization of airport baggage screeners.
 - better training for security officers.
 - strict regulatory environment.
 - better pay for security personnel.
- Two critical areas have emerged:
- emergency preparedness: including acts of terrorism, natural disasters and pandemic crises.
 - disaster recovery: which requires strategic and well-planned recovery procedures be determined and in-place before any event.

Historically, security services have been selected based solely on price not overall value. Limitations resulting from this include:

- Poor candidate pool.
- High turnover.
- Low desire for career advancement, let alone continued employment.
- Lack of individual ownership.
- Contractor compliance vs. partner provider attitude.
- Reactive vs. proactive management posture.

A more client-driven model has emerged as the industry has matured and firms need to add value to maintain customers. Benefits of this development include:

- Consistent performance at customer sites.
- Added resources to better serve client needs.
- Improved mission ownership through comprehensive screening, training and support.

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- Improved efficiencies and processes.
- Minimized risks and threats.
- Better equipped clients to manage new and emerging security initiatives.
- Value-added partnering.

Implications for the facility management professional:

- Determine needs, especially the level of security, of the organization before searching for a provider.
- Compile good specifics to clarify vague issues.
- Assess vulnerabilities of the organization and know the weaknesses.
- Know what is sought.

Gulf Power Company: A Southern Company

—*Sue Markham, Gulf Power Company*

Gulf Power, a regional electric utility serving northwest Florida, is a subsidiary of the regional energy provider, the Southern Company. A primary focus of the company is providing superior service to its customers. The company demonstrates leadership in several areas: customer service, environmental stewardship and community service.

Gulf Power has focused on providing a great workplace for its employees by:

- Becoming a priority of top leaders, like the president and CEO.
- Providing well-maintained facilities.
- Providing a secure work environment.
- Providing highly-customized workspaces for employees (desks, chairs, keyboards and task lights).
- Giving employees the right tools they need to do their jobs (flat screen monitors, lap tops, Blackberries, etc.).

Daily challenges the company faces include tighter regulatory restrictions, budget concerns, increased security needs, and workforce issues (both shortage of skilled applicants and the variety of issues that accompany a diverse workforce).

New challenges the company anticipates in the future include:

- Balancing increasing environmental demands and keeping customer costs low.
- “We don’t think like other industries”: we focus on helping our customers reduce consumption.
- Increased management structure.

Valuable skills that the facility management professional or any employee can bring to the industry include the ability to juggle multiple tasks, manage details, hone computer skills and maintain a sense of customer service and diplomacy.

Designing Tomorrow’s Workplace Experience

—*Barbara Armstrong, Kahler Slater*

The context of the business environment is changing with the emergence of:

- Global marketplace: more competition from multiple sources.
- Changing demographics: a shortage of skilled workers and more diverse workforce.
- Economy driven by creativity and innovation: the workplace influences experience.

To thrive, firms must provide an experience which differentiates them from their competitors or risk becoming a commodity. Design influences creativity and innovation so that the workplace must be designed to create that differentiating experience.

The distribution of better design through mass merchandising channels, entertainment, household products, etc., has created a smarter design consumer with higher expectations. Additionally, business guru’s like Tom Peters and Daniel Pink point to the value of design as a key to differentiation.

Using high performing Best Places to Work companies (as designated by the Great Place to Work Institute), a benchmarking study by Kahler Slater explores the way in which these companies reflect their award winning culture in their facilities. The study explored 14 characteristics of well-designed workplaces:

1. Ability of individuals to perform distraction-free work.
2. Undistracted teamwork and meetings.
3. Collaboration and impromptu interaction.
4. Access to daylight.
5. Control of glare.
6. Accommodates changing technology.
7. Attention of thermal comfort.
8. Accommodated personal work styles.
9. Addresses ergonomics.
10. Workspaces allocated by function.
11. Adjacencies support workflow.
12. Clear wayfinding.
13. A professionally maintained plant program.
14. Expression of organizational culture.

APPENDIX

Kahler Slater's study revealed that Best Places to Work leverage their great culture by manifesting it in their facility.

While workplace culture is key to employee satisfaction, the majority of existing workplaces haven't necessarily kept pace with the need to create an environment that supports creativity and innovation, or to express culture. Due to aging building stock and legacy investments in FFC, organizations do not necessarily leverage the facility as a strategic business asset. If companies don't plan the message they wish to transmit with their physical environment, they may find that they do not like the unintended message it conveys to customers, recruits and employees. The unintended message can be counterproductive to inspiring creativity, innovation and attracting and retaining top talent.

Creating design that can be leveraged as a strategic asset requires a holistic approach. At Kahler Slater, we design a total experience of the workplace considering four elements of an experience: place, people, products and services, and perception. This holistic approach provides leadership and engages diverse stakeholders in the process of change:

- It begins with Vision: manifest values and culture.
- Collaboration and communication with multiple stakeholders.
- Build consensus toward a holistic approach
- Measure value differently

To respond to this changing marketplace, design and facility professionals should become the integrators and leaders. To do this, they must develop a wide variety of skills:

- Designer.
- Facilitator to build consensus.
- Manager of diverse stakeholders.
- Interpreter of culture and brand.
- Communicator of change.
- Investment analyst (measure and prove value).

In the future, the role of the design and the facility professional will focus on linking business strategy to facility strategy as the context of business is ever changing. With limited investments and growing demands, the value of each investment must be understood within the context of an entire business strategy.

Also submitted (but not presented): SHRM Workplace Forecast

— *Jennifer Schramm,*
Society of Human Resource Management

This bi-annual report is based on a survey of human resource professionals about their views on the key issues in demographics, economics, employment, international affairs, politics, society and science and technology that will have the greatest influence on the workplace in the next decade, as well as the actions they are taking or are planning to take to address these changes.

Three key themes appeared to underlie the majority of the top trends:

- Rising cost of health care.
- Implications of increased global competitiveness.
- Demographic changes, especially the aging work force and the anticipated mass retirement of the Baby Boom generation.

The 10 top trends that emerged were:

1. Rising health care costs.
2. Increased use of outsourcing of jobs to other countries.
3. Threat of increased health care and medical costs on the economic competitiveness of the United States.
4. Increased demand for work/life balance.
5. Retirement of large numbers of Baby Boomers (those born between 1945-1964) around the same time.
6. New attitudes toward aging and retirement by Baby Boomers.
7. Increase in the number of individuals and families without health insurance.
8. Proliferation of identity theft.
9. Work intensification as employers try to increase productivity with fewer employees.
10. Vulnerability of technology to attacks or disasters

The International Facility Management Association (IFMA) is the largest and most widely recognized professional association for facility management, supporting more than 18,500 members. The Association's members are represented in 125 chapters and 15 councils in 65 countries worldwide.

Globally, IFMA certifies facility managers, conducts research, provides educational programs, recognizes facility management degree and certificate programs and produces World Workplace, the largest facility management-related conference and exposition.



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