

# The FM profession: strategic directions, strategic choices

BIFM Think FM  
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RAMIDUS CONSULTING LIMITED



## **RICS *The Strategic Role of FM in Business* (2009)**

Strategic FM now has strategic influence as a driver of efficiency and effectiveness.

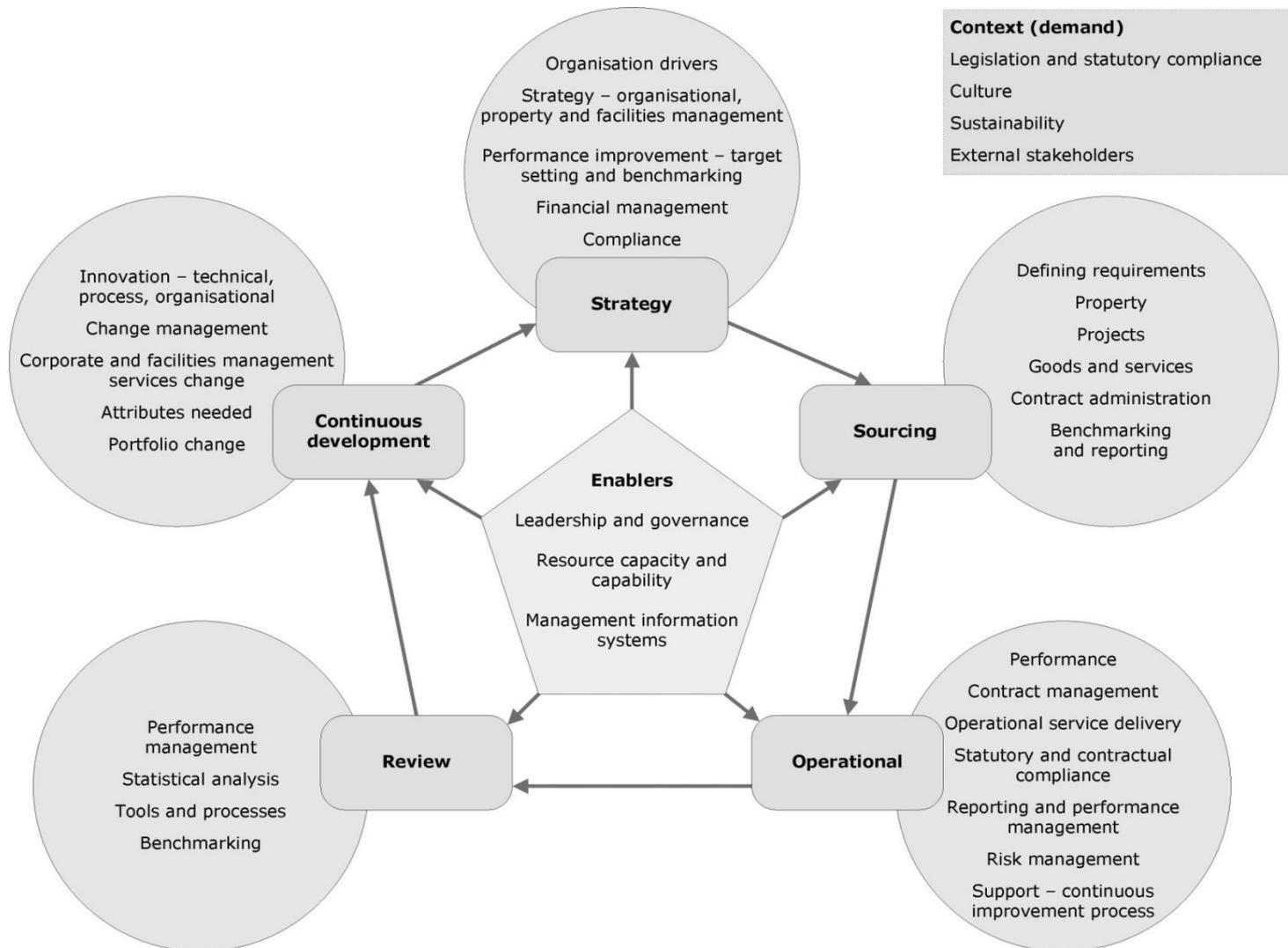
Any FM strategy must support the operational needs of an organisation. Facilities managers need the skills and competencies to translate an organisation's priorities into a coherent and effective FM strategy.

By aligning with an organisation's core activity, a FM strategy can provide genuine commercial returns as well as ensuring compliance, and contributing to CSR and the environment.

The core thrust of any FM strategy should be in supporting and improving the effectiveness of the organisation's core activities, making substantial financial or service improvements.



# FM context



## Despite all the progress ...

... FM remains something of a commodity service rather than a value adding one, procured at the lowest cost.

*It could be said that the FM industry knows the cost of everything, but the business value of very little. This is a recipe for continuously lowering the bar rather than raising it.*

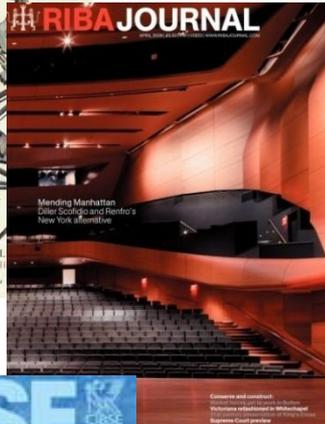
Leaders of FM must be seeking to understand how they can strengthen their organisation's position.

*Operational strategy is not an oxymoron. FM can clearly help organisations become more effective. The key idea is differentiation.*

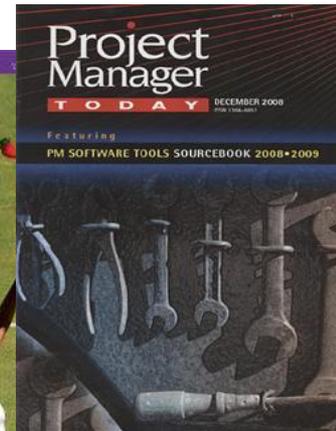
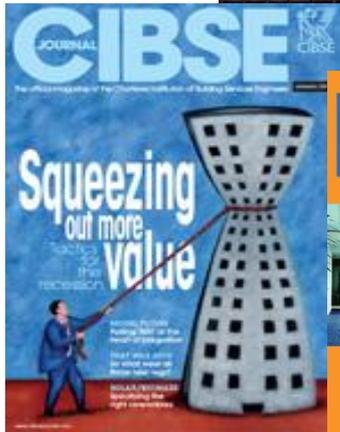
***From ... Ware & Carder, 2012***



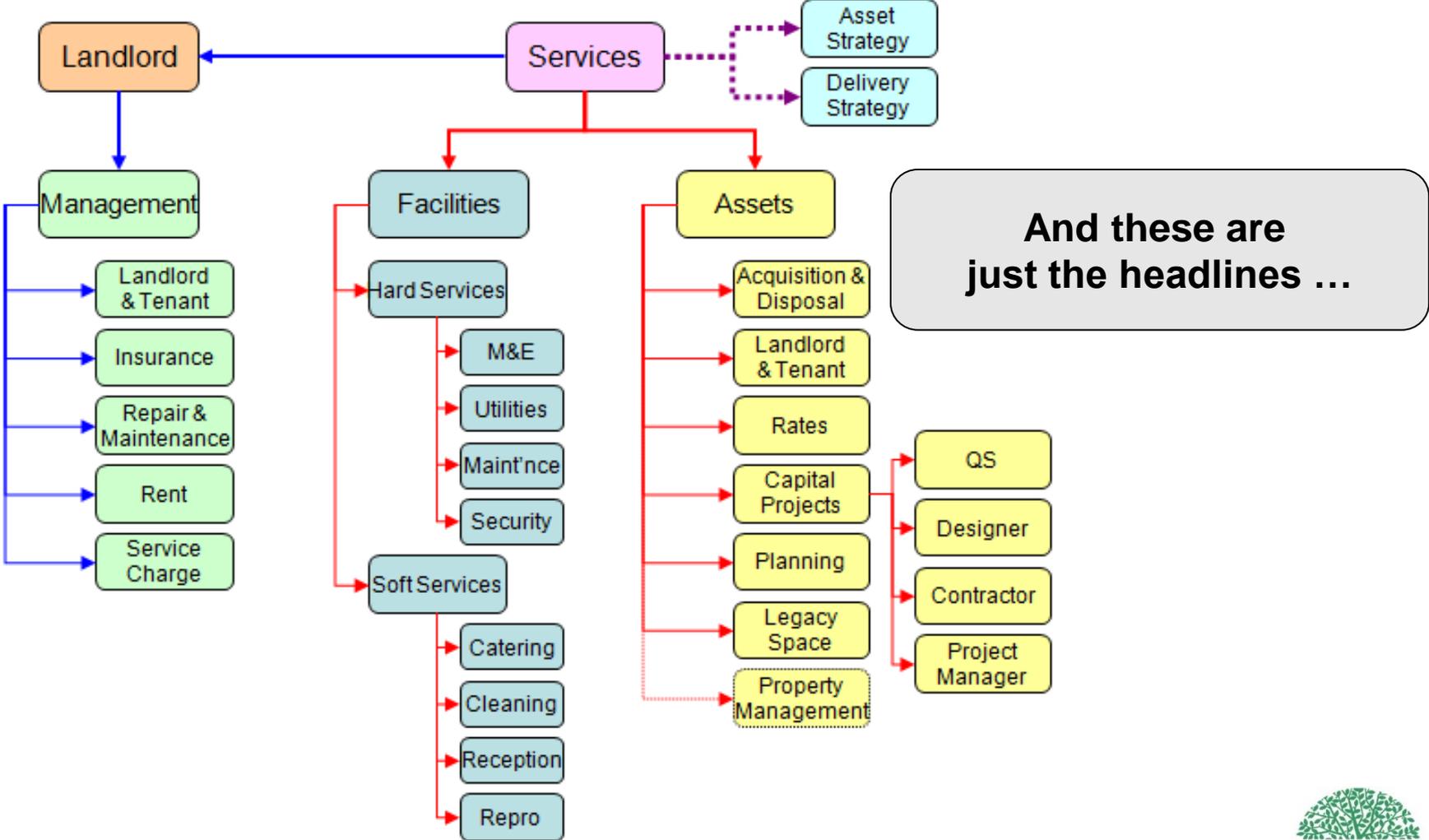
# A fragmented industry



Cancer is a workplace issue – let's face it



# A fragmented industry



**And these are just the headlines ...**



# A fragmented industry

## Some implications

Separate property/CRE and FM silos defeat presentation of a coherent discipline to clients and development of a strategic management discipline.

Duplication in activities and lack of joined-up planning.

Inward looking. Ignores other corporate resource planning.

Focus on transactions/procurement rather than delivering value.

Relegation to service delivery and cost line rather than strategic planning.

Innovation is stifled. Low level of learning and feedback.

Very little regard to whole life cycle management.



# The changing world of work

## **FM and the workplace**

FM provides organisations with managed, compliant, safe and secure work places, allowing organisations to pursue their organisational goals.

Without the work, there are no facilities to manage.

The direct connection between organisation and its supporting infrastructure is often blurred.

As work changes, then so do the demands on the workplace. A never ending adjustment needs to occur.

It is therefore critical to understand what is happening to the world of work in order to shape the FM response.



# The changing world of work

## The old workplace

A new economic model  
White collar factories  
Process-based – Taylorism



# The changing world of work

## The recent workplace

For most, *plus ça change* ...

Speed of technology v speed of workplace change

Culture and management

And the role of inertia



# The changing world of work

## What's the big deal?



The  
difference?



Setting  
Diversity  
Mobility  
Choice



# The changing world of work

## The new workplace?

Many are planning a new workplace experience.

Far greater mobility.  
Far less structure.

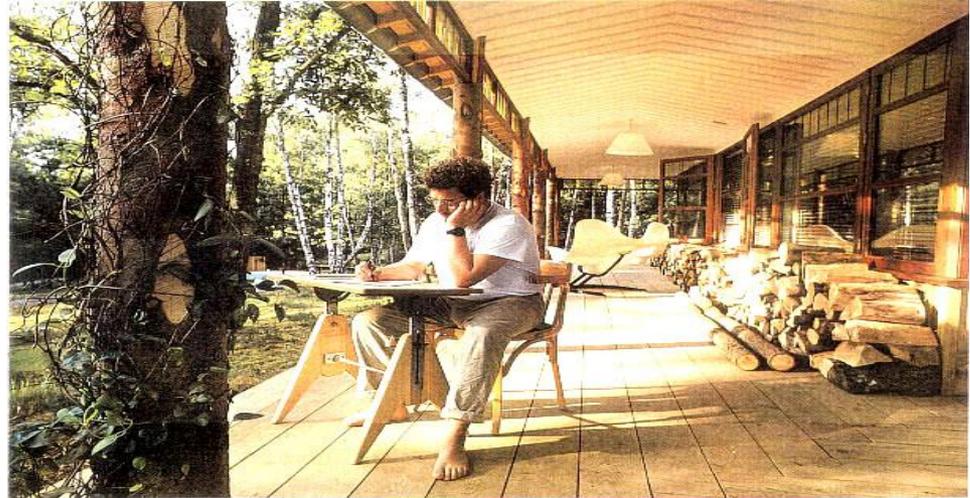
Workplace demographics are changing.  
Expectations of the workplace are changing.

One workplace yields to a wide variety of work settings.



# The changing world of work

## The future workplace?



The promise of “freedom”  
Technology-enabled  
More leisure time  
New ways of working  
Work-life balance



# The changing world of work

## **Workplace transformation**

Personal interaction and cultural interchange ...

Collaboration and networking ...

Mobility and third places ...

All becoming more important.

Need to design and manage the workplace less as a static backdrop to solitary work, and more as a 'hotel' facility, where guests visit and demand a high level of service.

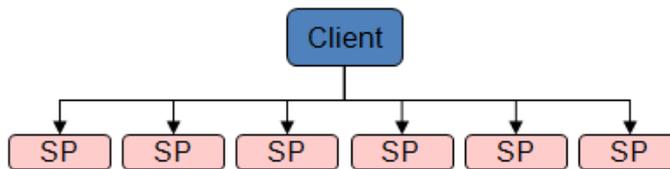
This requires a different approach to the provision and management of support services provided to workers.



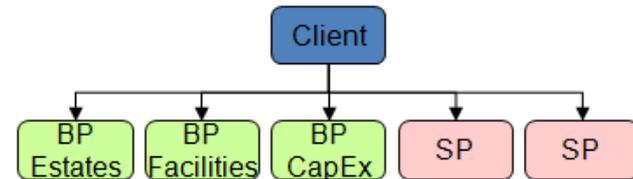
# Connecting with the business

## How connected?

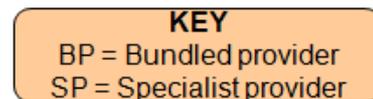
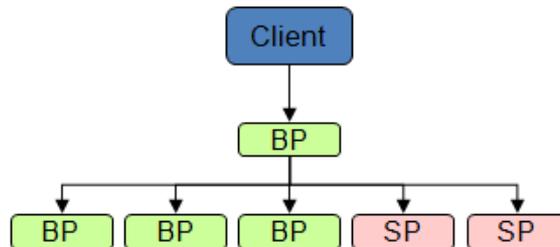
### 1. Traditional outsourcing



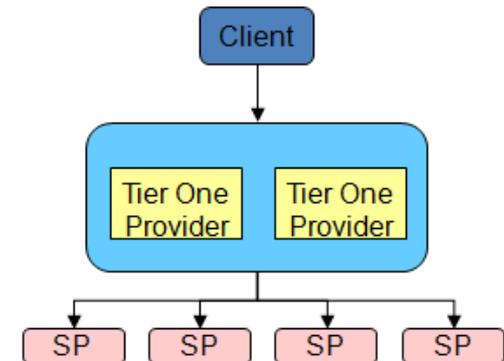
### 2. Direct bundling



### 3. Bundling through manager

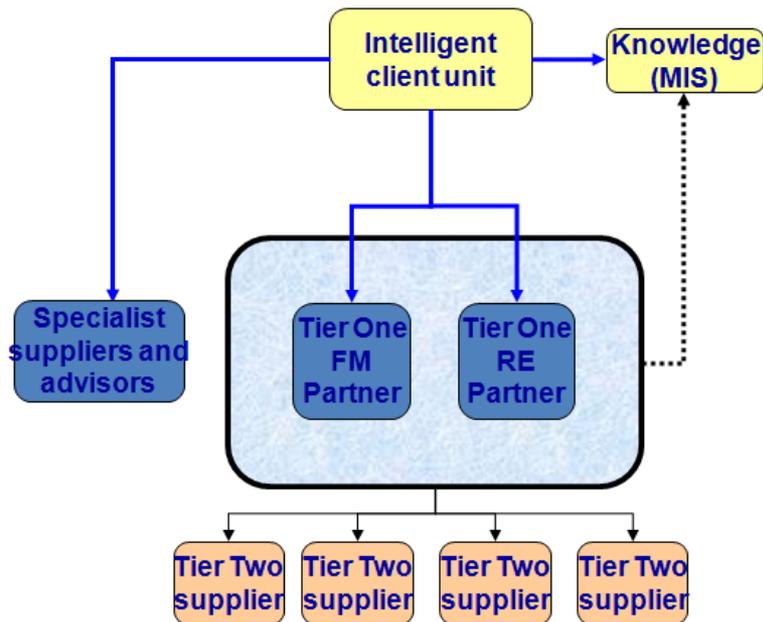


### 4. Integration



# Connecting with the business

## Very connected?



Determining FM objectives and role of the FM team.

Options for key partner relationships – single source, separate FM and real estate, JVs/SPV.

Managing tier two suppliers.

Contracting with specialist suppliers.

The emerging market for independent information and knowledge solutions.



# Connecting with the business

A defining feature of successful FM is connectivity with the business. The FM agenda must be led by business need. There are a number of ways in which this can be achieved.

Connecting FM with the business	
1.	Align FM with <i>specific</i> business objectives.
2.	Communicate the workplace as a tool of competitive advantage.
3.	Connect with HR and IT, and develop a shared agenda.
4.	Develop a service culture and value-add ethos.
5.	Think concierge rather than static provision.
6.	Connect with users: introduce a simple, <i>relevant</i> performance contract.
7.	Simplify the service and user interface.
8.	Audit the FM team's skills and identify gaps.
9.	Align external service providers with the new agenda.
10.	Create relevant and accurate management information to monitor progress.



# Connecting with the business

## Two fundamental roles

Despite its disparate nature, FM has two fundamental roles, in terms of its contribution to its client organisations.

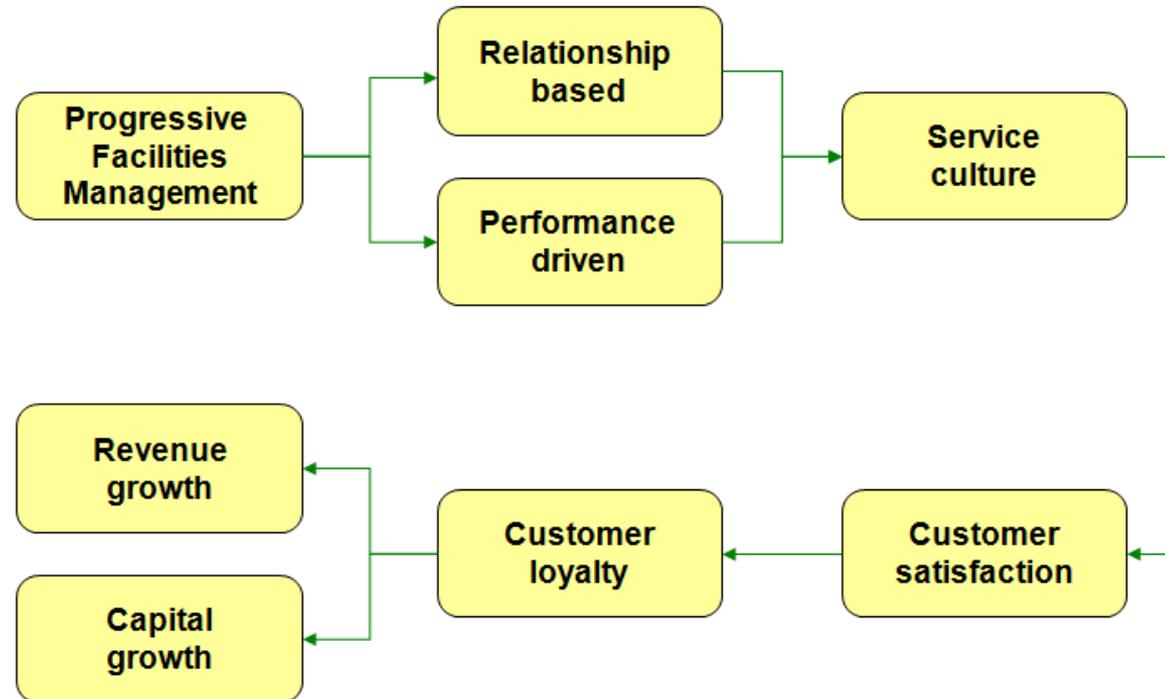
First, it has the opportunity to **add value**. Much over-used term; but there are demonstrable ways in which this can be achieved.

Secondly, it can **manage change**. Not very appealing at one level; but absolutely critical in today's rapidly changing world.



# Connecting with the business

## Adding value: the service value chain

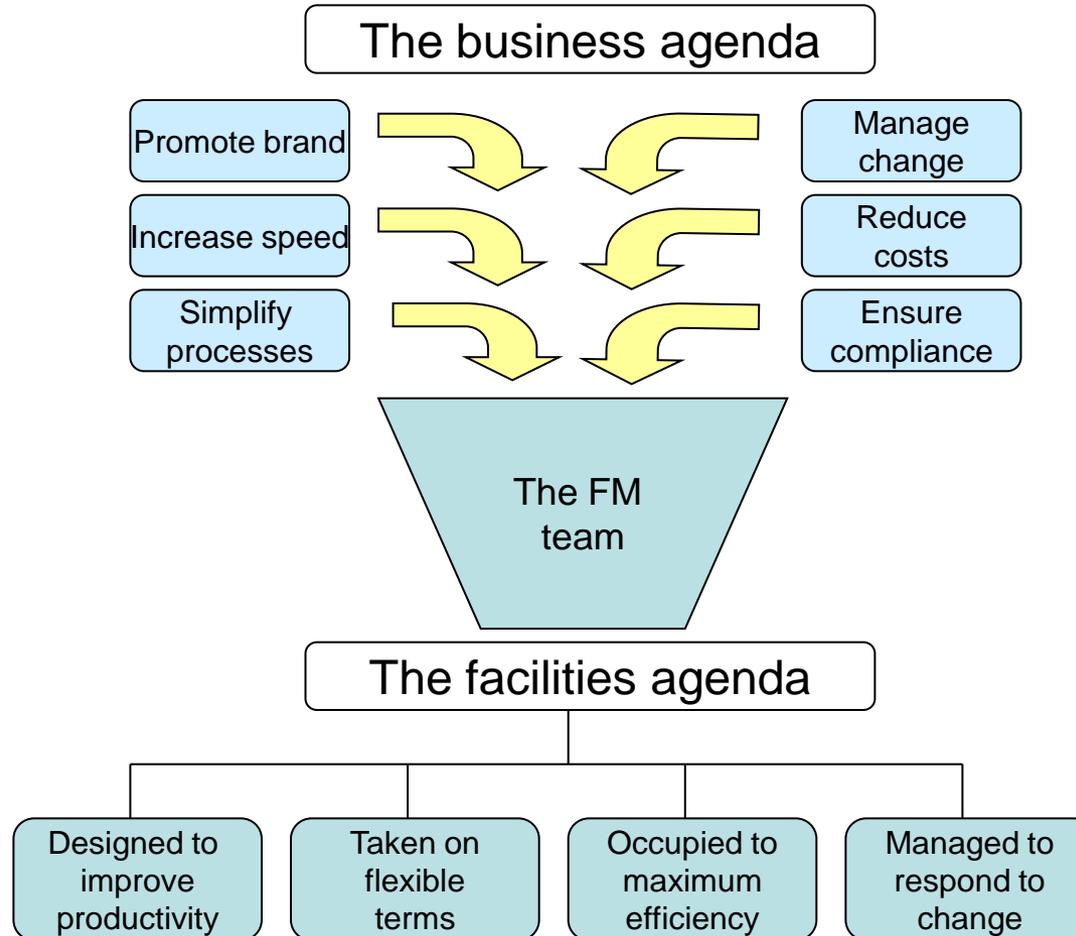


Source: adapted from: Heskett *et al* , 1994



# Connecting with the business

## Managing change



# Strategic directions

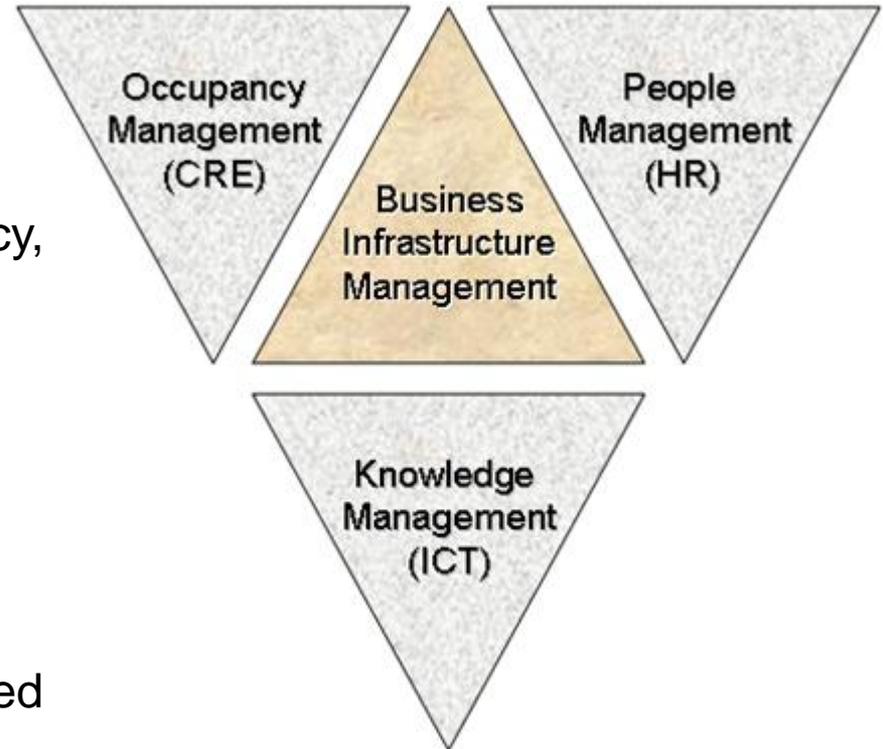
## Emerging shape of FM

Smart organisations manage Occupancy, People and Systems in an integrated manner to ensure that workers are equipped to achieve their goals.

This *ecological* approach recognises interconnectedness.

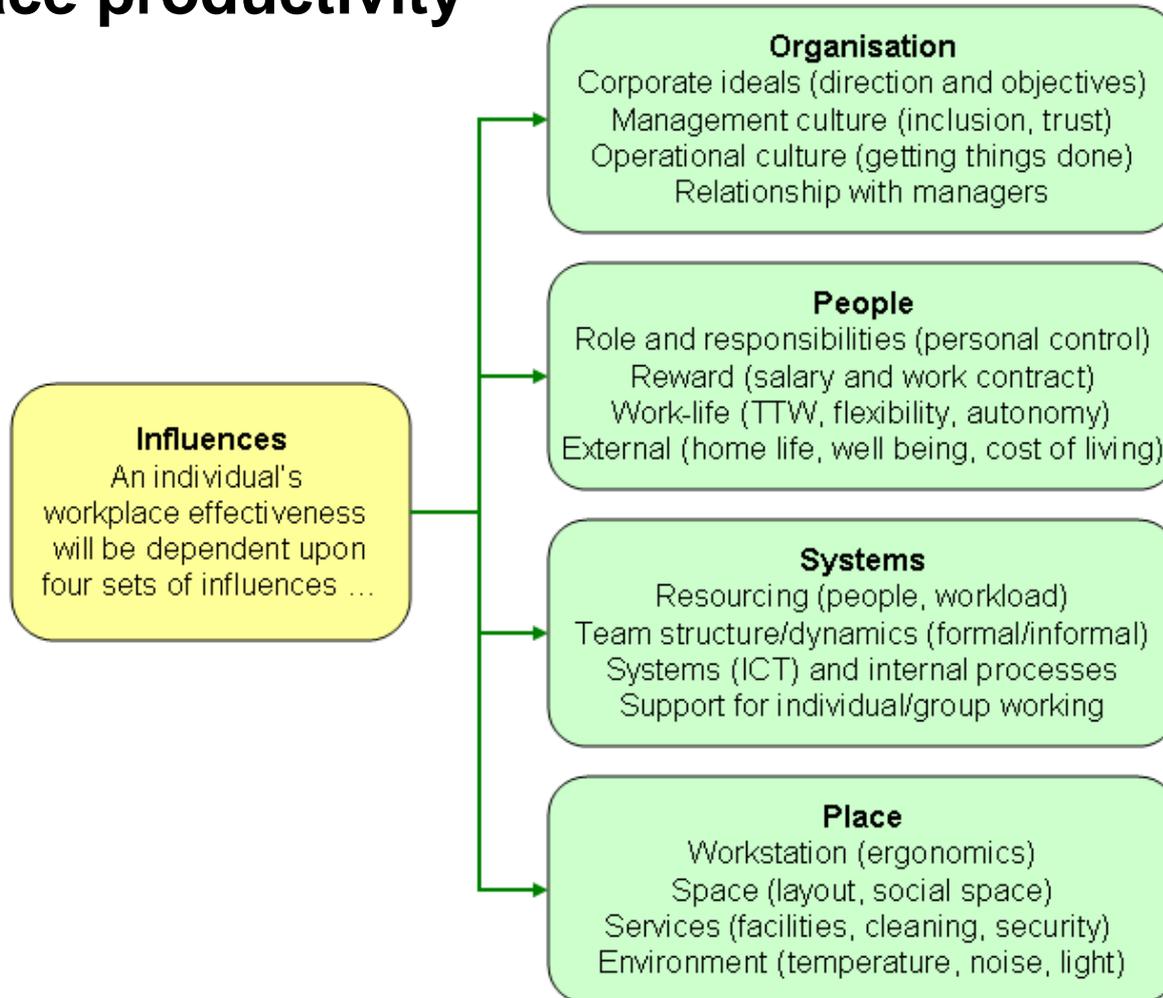
FM will work in an increasingly integrated fashion with other resource areas.  
Silos will yield to cross border working.

Business infrastructure management.



# Strategic directions

## Workplace productivity



# Strategic directions

## **Emerging shape of FM**

Workplace changing from a leaden and inflexible consequence of work, to a key enabler of organisational success.

Property costs will ensure a continued focus on efficiency.  
But utilisation alone won't achieve workplace *effectiveness* benefits.

These will be achieved through a focus on organisational enablement. The challenge will be for FM to position itself to work alongside other resource areas.

Failure = an increasingly marginalised, back-of-house, tactical role.



# Strategic directions

## **Emerging shape of FM** **(Conclusions from Ware & Carder, 2012)**

Facilities is increasingly being recognised as a strategic resource ... But ...

FM has had mixed success in achieving strategic alignment with other elements of the business.

Financial metrics and cost control continue to dominate FM.

Heads of facilities are still buried in day-to-day operational concerns.

FM career paths are undergoing significant change, and the FM profession faces a potentially serious future talent shortage.

**Recommendations:** Think strategically ... Act strategically



# Strategic choices

## The challenge and the opportunity

The *challenge*: create tangible value for the business via improvements in the workplace; be recognised in the role of “work enablement” not service delivery.

The *opportunity*: redefine the role of FM and discard the back-of-house image in favour of a core business, or front-of-house role, closer to business planning.

FM	Today ...	Reposition as ...	To deliver ...	Resulting in ...
<b>Activity</b>	Service delivery	Work enablement and front-of-house	Holistic workplace management	Alignment of workplace and business planning
<b>Focus</b>	Cost cutting and contracts	Business planning	Efficiency + productivity + brand	Service and value
<b>Partners</b>	Ad hoc	Workplace, HR and ICT	Integrated resource management	High performance workplaces



# Strategic choices

## **The challenge and the opportunity**

Shift the focus from service delivery to a value-adding role: “work enablement”. This requires a change of mindset and new skills.

No longer work in isolation, but collaborate and support complex business processes.

FMs will need to:

- translate the needs of the business into a supporting strategy;
- communicate effectively with management, and
- demonstrate the impact of workplace on business performance.

**Is the profession ready?**

