Raising the Bar:
Enhancing the Strategic Role of Facilities Management
How are You Feeling Right Now?

Or...

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Do you consider the workplace a strategic resource?
You are in the Hot Seat

Cut Costs!

Give Us More Meeting Rooms!

Fix the A/C!

Cut Costs!

Improve Productivity!

Increase Utilization!

Cut Costs!

Guarantee Business Continuity!

Give Us More Private Offices!

Cut Costs!

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2012 Global Survey of FM Professionals

On balance, is FM strategic?

Source: Raising the Bar: Enhancing the Strategic Role of FM – RICS, 2012

How does the head of FM allocate his/her time?
Starting Point for the Research

Why isn’t FM a more strategic resource?

What does it mean to be “strategic”?

How are FM groups organized and managed today?

What do FM leaders need to do to become a more valued resource?
The “Raising the Bar” Study

- Online survey: 350+ responses
- Data from six continents
- 35 executive interviews
- Completed late Summer 2012
FM *is* increasingly seen as strategic.
However...

Day-to-Day Operations

Demanding...
However...

Cost Control

Dominant
However...

Strategic Alignment

Disappointing
Let’s Look at Some Data
The Survey Respondents

The Survey: (n = 357)
Organizational Size

The Survey:
Where is Your Corporate Headquarters?

The Survey:
What is Your Primary Industry?

The Top Five:

- Financial Services
- Professional Services
- Government/Public Sector
- Education
- Manufacturing

Percent of Respondents
Where Does FM Report?

The Survey:
Where Does FM Report?

Size Matters

[Graph showing the percentage of respondents reporting to different roles based on the number of employees in the company.]
How is FM Measured?

- Performance against budget
- Service levels achieved
- Employee satisfaction
- Cost per square foot/metre
- Annual trends
- Environmental quality measures
- A "cleanliness" assessment
- Achievement of sustainability metrics
- Density of occupation
- Employee productivity
- Revenue per sq. foot/metre
- Other

Percent of Respondents
(totals add up to more than 100% because of multiple responses)
How *should* FM be measured?
How Well-Aligned is FM with....?
What are the barriers to more effective alignment?
Is FM a strategic resource?
What is “Strategy”?

“Strategic” means helping the business achieve competitive advantage by aligning real estate (space) and facilities services more closely with business imperatives, operational capabilities, and organisational performance. [emphasis added]

-- “Raising the Bar,” p. 12
What is “Strategy”?

Michael Porter’s View:

“What is Strategy?”

“Strategy is the creation of a unique and valuable position, involving a different set of activities [different from what competitors are doing]. . . .

Strategy requires you to make trade-offs in competing—to choose what not to do. . . .

Strategy involves creating “fit” among a company’s activities.” [emphasis added]

An Example of Strategic Success
Southwest Airlines’ Activity System

- Limited passenger service
  - No meals
  - No seat assignments
  - 15-minute gate turnarounds
  - Limited use of travel agents
  - Standardized fleet of 737 aircraft
  - Automatic ticketing machines
- Very low ticket prices
  - Short-haul, point-to-point routes between midsize cities and secondary airports
- Lean, highly productive ground and gate crews
  - Frequent, reliable departures
  - High compensation of employees
- High aircraft utilization
  - Flexible union contracts
  - High level of employee stock ownership
- “Southwest, the low-fare airline”

If You were Head of FM at Southwest...
Examples of FM’s Strategic Impact
Examples of FM’s Strategic Impact
Examples of FM’s Strategic Impact
Examples of FM’s Strategic Impact
And Now for Something Different...

Davison International, Pittsburg, PA
And Now for Something Different...
Our BIG Question:

What do facilities leaders have to do differently to make FM a more valued and more strategic resource?
What does all this mean?
“Hi I’m Sarah. So, what do you do?”
“I create a compelling work experience...”
... that helps the business by:

- saving money
- attracting and retaining staff
- leveraging innate talents
- enhancing productivity
- supporting customers
- ensuring continuity, and...
- ...

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Turn That Hot Seat into an Executive Chair

Cut Costs!

Improve Productivity!

Increase Utilization!

Cut Costs!

Guarantee Business Continuity!

Increase Workforce Satisfaction!

Cut Costs!

Give Us More Private Offices!
Turn That Hot Seat into an Executive Chair

1. Think Strategically
2. Act Strategically
Turn That Hot Seat into an Executive Chair

3. Rebuild the FM Organization

4. Outsource Aggressively
5. Teach the business how to draw on FM
It Only *Sounds* Simple

- Think
- Act
- Organize
- Outsource
- Teach
We enable change leaders to take charge of the future by designing compelling work experiences.

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Access and download “Raising the Bar” at: http://www.rics.org/research