

# Integration of Capital Planning and Facilities Management



Organizations throw away 5 percent (or more) of their facilities capital budget each year. This is because there historically hasn't been an easy way to tie operational information to capital planning. As a result, money is spent on capital repairs that don't have a long-term benefit for the organization.

When the annual capital plan is developed, anecdotal evidence is used to determine which assets need to be addressed. And the importance of other business factors, such as how critical the building is or the consequence of failure, aren't even considered when allocating capital.

## FACILITIES MANAGEMENT VS. CAPITAL PLANNING



### FACILITY MANAGERS

Facilities Managers spend their days maintaining their buildings, including all the electrical, mechanical, plumbing and architectural/structural components. With both preventive maintenance on the equipment and service requests from occupants, this group typically has its hands full keeping those buildings operational. When there is a problem, it gets fixed.



### CAPITAL PLANNERS

Capital Planners spend their days looking at the long-term investments for the portfolio and determining the viability of existing buildings and infrastructure. If a new program or use arises, a decision needs to be made on whether an existing building will support that function, if it should be renovated or if a new building is needed. This group decides where and how to invest capital if buildings or major system components are reaching end of life

Recently, an organization invested in a new roof for a building that badly needed replacing. However, the facilities department was unaware that the building had been de-prioritized, as the strategic decision to replace the building had been made. The cost of this “mistake” was \$400,000.

## KEY CAPABILITIES OF INTEGRATION

- Provide reports for executives on combined capital and operational expenses
- Leverage maintenance history when ranking capital needs
- Automatically kick off work orders from system requirements
- Keep capital planning data updated as work orders are completed
- Make better-informed decisions about the future of facilities

## THE BENEFITS

Business decisions can't be made in a vacuum. Too often, daily expenditures on facilities are made without having a complete view of the portfolio business strategy. Therefore, costly repairs for capital equipment may be made without understanding the long-term direction for any specific facility.

VFA facility's Capital Budgets and Ranking Module allows organizations to define strategies that identify where to invest capital. A strategy can include condition and non-condition information to help make the decision on what capital projects to complete first.

FAMIS Maintenance Management, has the history of all work orders for each asset in a building. When it's time to upgrade an asset, the knowledge of this history can guide the facilities department invest in that asset to do a major overhaul or replacement.

With **Asset Connect**, both the strategic importance and the work order history can be used to determine which assets to target first. A poorly performing asset may be in a building that has low importance to the organization. Even though it needs work, it may have a lower priority than a more critical asset in another building that may be nearing end of life. The organization can focus on those assets that have more impact results, or where failure has a higher consequence.

Facilities managers and capital planners now have the ability to see, from a tactical standpoint, how assets are performing, as well as which capital needs strategically align with business goals. Now, businesses can spend facilities operational and capital dollars more effectively.

**With Accruent, you can make better decisions and stop throwing away capital.**

In many organizations, the facilities group and the capital planning group are separated and don't see the other's day-to-day activities. However, their actions have a significant impact on each other. Capital improvement projects become work orders, and work orders become capital repairs. Investments on one side impact investments on the other.

## DISPARATE SYSTEMS

What types of systems do these groups use? How do these groups share information with each other and the occupants of their facilities?

Until now, sharing information meant emails, print-outs, spreadsheets, data entry forms and other similar documents. If each team had a system in place, they likely didn't talk to each other, meaning not only repetitive data entry and lost time, but also outdated data, not working on the highest priority items and, in the worst case, spending money on the wrong things.

## INTEGRATED SOLUTION

For the first time, Accruent has brought together facilities management and capital planning in a single solution. The combination of VFA capital planning and FAMIS means the capital planners have visibility into the facilities department's activities. Similarly, the facilities department can access the prioritized list of capital projects. And, best of all, management finally has a tool to understand plans and the results of capital and operational expenditures.



### About FAMIS Maintenance Management

FAMIS Maintenance Management is a true cloud facility management system that streamlines work order management and provides visibility into essential financial data. FAMIS serves the facilities management needs of its clients to control costs, enhance resource productivity, and optimize funding.