

# Capital Budgeting Solution

## GET MORE VALUE FROM YOUR FACILITIES CAPITAL SPENDING

How does your organization determine which capital projects to fund? Does your current approach ensure that funding decisions maximize your organization's financial, operational and mission-related goals? Or does the "squeaky wheel" too often get the grease?

While capital projects represent a significant investment for an organization, the process used to determine which projects to fund is often highly subjective. Perhaps this is not surprising, given the many overlapping and competing considerations and priorities involved, as well as the many stakeholders – each with their unique perspective – in the decision-making process.

### VFA FACILITY ASSESSMENT SOLUTIONS

The VFA capital budgeting solution helps organizations utilize facilities capital planning to reduce risk, lower costs, improve operational efficiency and enhance customer satisfaction. VFA solutions help ensure that:

- Capital spending aligns with business priorities
- Facility investments are optimized to support long-term goals and objectives
- Investment decisions are supported by a clear and consistent rationale
- Key stakeholders understand how varying priorities impact capital funding decisions

Designed with input from facilities managers and institutional planners, VFA software unites the art of collaboration and consensus building with the science of hierarchical decision-making to deliver a best-practice approach to capital budgeting.

### CREATE A BETTER CAPITAL BUDGET THAT:

- Reduces risks, including business, financial, safety, legal and reputational
- Lowers costs
- Increases operational efficiencies
- Improves customer satisfaction
- Gets you recognized for facilities excellence

### FIVE STEPS TO A BETTER BUDGET

#### 1 ESTABLISH THE TEAM

Define the cross-departmental team responsible for establishing key goals, objectives and responsibilities, including members from:

- Finance
- Facilities
- Operations
- Executive Management

#### 2 CREATE A COMMON UNDERSTANDING

Accruent consultants then provide your team with an overview of facility assessment and capital planning processes, including:

- Assessment terminology
- Categorization methods
- Cost estimation
- Funding strategies

### LEVERAGE VFA SOFTWARE AND SERVICES TO OPTIMIZE FACILITIES CAPITAL BUDGETING:

- Align spending with long-term organizational objectives
- Reflect stakeholder consensus about organizational priorities
- Employ a consistent rationale for prioritizing capital needs
- Focus investments where they will have the greatest business value

### 3 DEFINE PRIORITIZATION CRITERIA

Using proven processes for articulating business drivers and priorities, Accruent consultants work to build consensus about strategic goals and values and how they should be applied to prioritize capital needs. The group determines the criteria that will be used to prioritize facility requirements, and ranks these factors using pairwise comparisons in the Capital Budgets Ranking module in VFA.facility®.

Factors can include:

- Building use
- Type of building system
- Current facility condition
- Impact of remediation on condition

### 4 PRIORITIZE REQUIREMENTS

By applying a defined ranking strategy to a single facility or an entire portfolio within the VFA.facility software, the team can see what requirements will be addressed at a given funding level. VFA.facility provides sophisticated tools for evaluating the implications of various prioritization models and funding levels. An organization can define multiple ranking strategies for various scenarios, including:

- Different types of assets
- Different funding sources
- Different organizational priorities
- Short vs. long-term needs

### 5 CREATE THE BUDGET

Based on the selected ranking strategy, VFA.facility produces a multi-year capital budget with a ranked list of funded requirements and enables modeling of funding alternatives that can achieve the organization's facility and business objectives. The end result is a capital budget that:

- Reflects accurate condition and cost data
- Aligns spending with organizational goals
- Delivers the greatest business value
- Provides flexibility when budgets change

The VFA.facility Capital Budgets Ranking module helps ensure consistent ranking strategies for capital requirements



### THE VFA SOLUTION ADVANTAGE

The VFA solution combines capital planning services expertise with proven facilities capital budgeting software. Accruent consultants have provided Capital Planning and Management Solutions (CPMS) to government, education, healthcare, banking and other corporate organizations since 1998. Customers can easily create defensible multi-year capital plans and budgets with the help of Accruent consultants and their wealth of experience. You can easily understand the impact of business priorities on capital plans, make adjustments as your business needs evolve, and readily create capital budgets and projects that are aligned with the organizational mission.

### LEARN MORE

Contact Accruent to learn how VFA software and services can help your organization objectively model multi-year capital budgets that optimize building portfolio investments and align with your mission.

### About Accruent

Accruent helps real estate, facilities and asset leaders deliver long-term, world-class operational and financial performance through industry-specific suites that deliver greater customer value. Founded in 1995, Accruent is headquartered in Austin, Texas, with locations across the U.S. and in Canada, China, India, Germany, and the United Kingdom.