

From Cost Center to Strategic Contributor

How Facilities Management Teams Can Play a More Strategic Role in Organizations



Insights into how facilities management teams can contribute to business goals



Tips and techniques for saving time, decreasing costs, and supporting energy-efficient practices



Examples of real world results

Introduction

According to Gartner¹, managing the facilities life cycle is second only to people as the largest expense item in enterprises. With facilities and asset management consuming the bulk of their non-payroll expenses, it's no surprise that organizations typically view facilities management solely as a cost center. But, facilities management teams still can play a more strategic role in the success of any business.

Today, organizations are increasingly focused on reducing waste — of both revenues and natural resources — and often establish goals around corporate and social responsibility. At the same time, today's more advanced facilities management software, including integrated workplace management systems (IWMS) and computer-aided facilities management (CAFM) systems, offer opportunities to deliver significant time, cost, and energy savings that align with and support these goals.

Facilities management teams can play a more strategic role in corporate success.

Strategic Opportunities for Facilities Management Teams

Consider this: From managing work orders manually to tracking asset inspections and maintenance in spreadsheets, the daily operations of typical facilities management teams offer vast opportunities to increase efficiencies. Automating many of these types of tasks through a single system can quickly reduce the hours spent on manual processes. With time savings gained from new operational efficiencies, facilities managers can repurpose employees for higher value tasks that ultimately lead to cost savings.

Another consideration: Buildings consume up to 40 percent of the world's electricity, much of which is inefficiently utilized or even wasted.² Many companies recognize this and are attempting to reduce costs and become more socially responsible by reducing energy waste. Besides the inherent cost savings, this "green" approach has far-reaching benefits, including stronger community relations, and even an improved ability to attract and retain employees. In fact, a 2012 study by Net Impact and Rutgers University³ showed that 35 percent of the college students in the study's survey said they would take a 15 percent pay cut to work for a company committed to corporate social responsibility (CSR).

While it may seem unusual to think of facilities management as playing a strategic role, it no longer has to. Following are seven ways that your facilities management team can use modern tools and approaches to save time, decrease costs, and support sustainable, energy-efficient practices — effectively elevating your team's role from a mere cost center to a driver of corporate success.

¹ *Magic Quadrant for Integrated Workplace Management Systems*; Gartner; June 17, 2013.

² *Magic Quadrant for Integrated Workplace Management Systems*; Gartner; June 17, 2013.

³ *Talent Report: What Workers Want in 2012*; Net Impact and Rutgers University.

7 Ways to Save Time, Costs, and Energy

1. Move to the cloud.

Managing facilities using on-premise systems requires internal IT hardware, software, and support, which translates into more costs and more assets and people to manage. Today, an increasing number of facilities and asset management software solutions are available in the “cloud” as Software as a Service (SaaS) solutions. The SaaS model offers two key advantages:

- The software vendor manages the software and upgrades.
- The software can be accessed anytime, anywhere via the Internet.

Moving to a cloud-based system takes you out of the business of managing software, allowing you to focus on managing facilities more efficiently and effectively, and giving you the ability to communicate directly and securely with your vendors and customers through a single, centralized system.

TIP: Using a system that’s accessible via mobile devices allows your staff and vendors to manage work orders and inspections from the field in real time, reducing paperwork and the need to burn fuel by physically traveling back and forth to office buildings.



Real World Example: After implementing Accruent’s cloud-based 360Facility™ facility management system, a large health insurance provider saved \$30k-40k in server and data center costs and reduced system support from 80% of an FTE’s time down to 10%.

2. Embrace customer self-service.

Whether a light bulb needs changing or a chiller has gone down, manually handling service requests is time consuming. It often requires multiple full-time employees or even dedicated call centers to take and record phone requests, research issues, and update tenants or employees on the status of service requests.

Providing an online self-service portal allows tenants or occupants to enter their own service requests, view the status of their existing requests, and receive automated confirmation and status messages. This approach has the following benefits:

TIP: Today’s customers not only prefer, but often *expect* to enter their requests online. Your self-service tool should be as easy to use as today’s top retail websites, saving time for you and your customers, and improving customer satisfaction.



- Allows you to respond more quickly to maintenance requests, which helps to improve overall customer satisfaction
- Reduces the amount of time spent managing service requests, saving time and costs, and giving your team more time to find and address issues before your customers do
- Avoids prolonged periods for facilities and asset maintenance issues to go unaddressed, saving time, money, and (especially in the case of electricity-seeping assets) energy



Real World Example: Using 360Facility, a federal credit union reduced the time spent managing service requests by 85% and the number of follow-up phone calls by 80%.

3. Automate your work order process.

From dispatching work orders via phone or paper, to entering labor hours on time cards, manually processing jobs is inefficient, wastes paper, and adds no real value to the role of facilities management. Using a facilities management system, you can automatically dispatch jobs from your customer self-resources. Processing your work orders through an automated system has the added benefit of capturing work order data that can be used to look for trends that may help you to discover maintenance needs before your customers do.

TIP: Avoid energy seepage from assets that aren't operating at peak performance: Watch your system for assets with unusually high numbers of work orders, which may be indicators of assets that need maintenance or need to be replaced.



The same system can then deliver process steps to engineers to ensure work is done consistently and efficiently, and allow the field team to provide updates directly into the system. As work is completed, engineers can enter their hours directly into the system using appropriate, pre-configured billing and payroll codes. This cuts down on paper usage, and allows managers to quickly review and validate hours, and accounting departments to quickly pay workers and bill customers.

TIP: Your system should provide process templates built on best practices. This not only helps to ensure work is completed more consistently, but also reduces the amount of system configuration needed, which gets you up and running faster on your system.



Real World Example: A 360Facility customer reduced the time required to record and track labor hours by 20% per technician, and 70% per manager.

4. Integrate your work order processing and billing.

Manually managing work orders means that from start to finish, data from every job must be entered by a person — often into multiple systems, such as the work order system and the accounting system. This is time consuming and may result in errors such as inaccurate charges to tenants or occupants.

TIP: Be sure that your system allows you to track billable and non-billable work orders, and supports invoice and billing requirements such as Chart of Accounts, and GL codes.



Capturing details of a project in a single facilities management system that integrates with your accounting system not only eliminates the need to enter information more than once, it also ensures that each work order and its associated costs are entered into the accounting and billing systems as work orders are completed. This gives you and your accounting team more accurate visibility into costs as they happen, and helps to ensure that you do not miss billing opportunities with your customers.



Real World Example: Using the 360Facility system, an organization reduced the number of invoices with errors by 70%.

5. Move beyond spreadsheets for preventive maintenance and repair vs. replace decisions.

When it comes to the ongoing care of your facilities and assets, tracking inspection records, planned maintenance, and other scheduled activities in spreadsheets is time consuming and cumbersome. Yet, properly maintaining your assets is one of the best ways to reduce energy seepage.

Moving your preventive maintenance data and processes into an automated system helps to ensure that equipment is inspected and maintained on a regular, precise schedule with consistent process steps — no matter who does the work — which ultimately extends the life of your assets, leading to decreased reactive work orders, lower asset failure rates, and increased cost and energy savings. Sophisticated systems allow you to schedule maintenance based on specific dates, number of days since last inspection, or asset usage, and send your team alerts as planned maintenance approaches.

TIP: Look for a system that offers graphical reports showing at least 1-2 years of upcoming preventive maintenance work. This will help you to assign staff appropriately well into the future.



In addition to preventive maintenance, tracking asset repair history, priority of each repair, and estimated costs associated with repairs and replacement is too critical to cost and energy savings to juggle through spreadsheets. Moving asset information into a single system that includes location, cost history, warranty information, and other vital asset documentation allows you to access information about assets more efficiently, and make more informed repair-versus-replace decisions.

TIP: Your system should allow you to attach work orders and warranty documentation to asset records for an easy-to-access, complete history of each asset.



Real World Example: After implementing 360Facility, an organization saved \$500,000 in annual equipment and building spending through better repair-versus-replace decisions.

6. Connect with your vendors.

When your vendors are not directly linked with your work order system, your team can waste a great deal of time managing purchase orders, issuing work orders, and communicating back and forth with vendors. In addition, it can be difficult to collect customer feedback about vendors after work is completed.

TIP: Your facilities management system should allow you to set up vendors by their coverage region so you can send work orders for each facility to the appropriate vendor location.



But, working with vendors can be as seamless as working with your own staff. Your facilities management system should permit you to set up vendors as part of your resource pool, automatically issue work orders and billing, and allow vendors to securely enter updates about their work orders directly into the system. It also should let you automatically send satisfaction surveys to customers after each vendor job is completed to help inform your decision about whether to continue using a vendor.

TIP: Select a facilities management system with site-wide licenses, versus named user licenses, so you can set up as many facilities management staff and third-party vendors in your system as you need for now and in the future.



Real World Example: After implementing 360Facility, an organization reduced time spent communicating with vendors on work orders by 80% and on managing vendor lists by 30%.

7. Access your data — and use it.

Housing your data and processes in multiple files and systems makes it difficult and time-consuming to get a complete view of your assets and activities. This limits your ability to analyze trends and make informed decisions. And, when it comes down to it, you can't effectively manage what you can't measure.

One of the most important aspects of moving data and processes into a facilities management system is the ability to access data about all of your activities and assets from one system, giving you the accurate, efficient reporting that helps drive your decisions. This type of reporting allows you to watch for key indicators of problems, such as an increase in work orders and work backlogs that may indicate that a particular building might have problems that are overloading staffers, or an increase in energy usage that may indicate potential asset maintenance needs. Your facilities management system should allow you to see those key indicators in a summary view and then easily drill down into your data to uncover the source of the problem and determine the best course of action to resolve it quickly.

TIP: Use data from your system to show everyone, by building and department, who the top energy consumers are and who the top savers are. Some usage goals and friendly competition can go a long way toward encouraging energy-saving behavior.



Real World Example: After implementing the 360Utility Management module from 360Facility, and creating energy consumption dashboards, a public institution realized an 8% reduction in their \$30M overall utilities expenses.

Where Do You Go From Here?

Implementing the types of time, cost, and energy saving measures suggested in this paper is a huge step toward contributing to business goals. As you implement or expand your use of facilities management software, be sure to take advantage of having all of your data in one system: Not only can you use the information for continuous improvements, you also can use it to demonstrate time, cost, and energy savings from your team that align with and support business goals. Build these ideas into your ongoing plans, and you'll be well on your way to demonstrating how facilities management can play a more strategic role in corporate success.

TIP: Be sure to use a facilities management system that offers the flexibility to use built-in report templates or to export data for use in your own analytics tools or business intelligence systems.



About Accruent

Accruent helps real estate and facilities leaders deliver long-term, world class operational and financial performance through purpose-built industry suites that deliver greater customer value. One of Accruent's facility management solutions, **360Facility**[™] offers a comprehensive preventive maintenance, work order management and asset management software system for commercial real estate. 360Facility helps organizations manage 1.5 billion square feet in 120 countries and sixteen different languages. Created in 2000, 360Facility is a SaaS-based application that has been found to reduce maintenance budgets by up to 35% and increase proactive maintenance activity by more than 100%. www.accruent.com