



# The New Leader's Guide to a High-Performing Facilities Organization

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# Topics

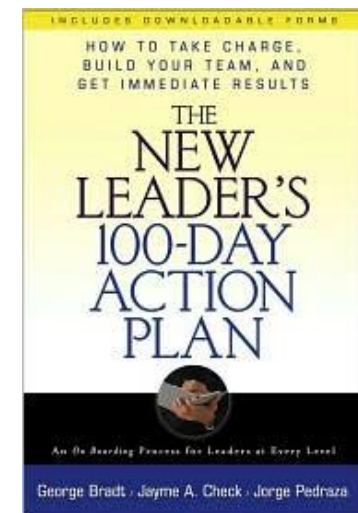
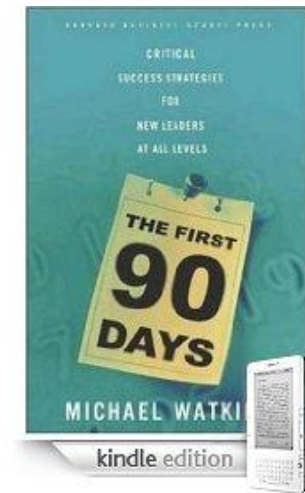


- On-boarding the New Leader
- A Maturity Model Concept
- Level One Competencies: Organization, Policy, and Inventory
- Level Two Competencies: Processes and Systems
- Level Three Competencies: Assessments and Metrics
- Level Four Competencies: Short-term Planning and Performance Improvements
- Level Five Competencies: Mission Validation and Long-term Planning
- Closing Thoughts

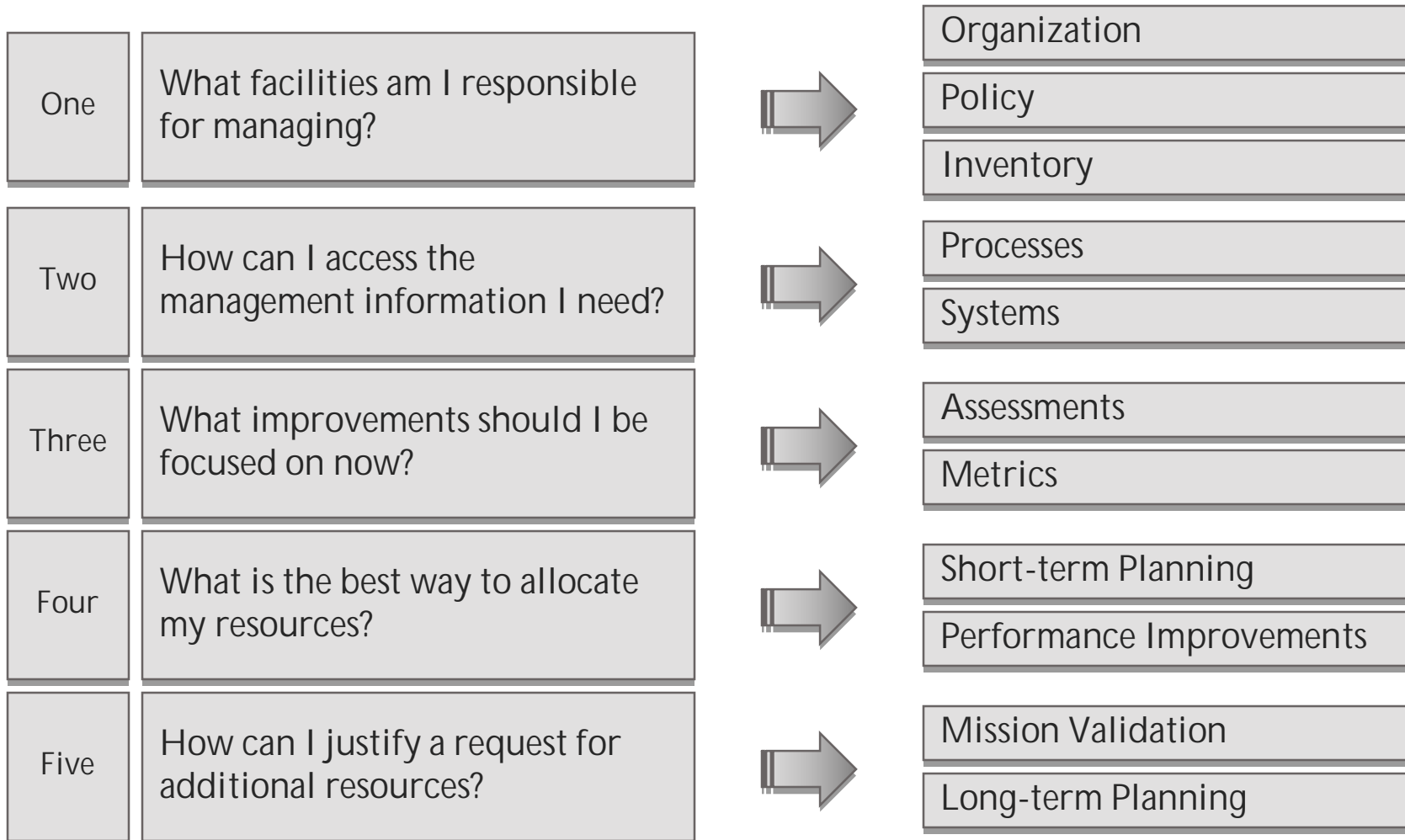
# On-boarding the New Leader

When taking on the new assignment:

- Avoid common mistakes –
  - Learning the organization, your role, and knowing the gaps in your own strengths
  - Establishing the relationship that will make or break the assignment
  - Learning the situation, customers collaborators, capabilities, and conditions
- Adjust to inevitable surprises
- Build loyalty, trust, and commitment



# The Maturity Model Concept



*Level One Competencies:*

## What facilities am I responsible for managing?

The organizational competency begins with understanding your organization's expectations :

- Strategic facilities planning
- Property management
- Capital budgeting
- New construction/renovations
- Space planning
- O&M
- Other support

Sources: Kaiser's The Facilities Manager's Reference; Cotts's The Facility Management Handbook; Friday's Organizational Development for Facility Managers



*Kaiser: What functional "branches" do you need?*

- Property management
- Facilities planning
- O&M
- Facilities Support

*Cotts: What is the scale of your assignment?*

- Office management
- One location, one office
- Multiple sites
- Multi-location, centralized management
- Fully international model

*Friday: How leadership impacts the FM organization:*

- Influencing group behavior
- Motivating staff to achieve
- Strategic positioning of the department
- Preparing for change and challenge

*Level One Competencies:*

What facilities am I responsible for managing?

Within the policy competency, the FM leader needs to understand corporate/organizational goals and objectives to interpret emerging issues, help capture profit-making opportunities, and help mitigate threats:

- How is space strategy communicated by corporate leadership to business units?
- Business unit issues drive facilities plans, so how good are market and programmatic assessments?

Flexibility and timeliness within the FM operation maximize corporate effectiveness and operational efficiency.



*Level One Competencies:*

## What facilities am I responsible for managing?

- Mastering the inventory competency:
  - Identifies the scale and scope of FM responsibility
  - Provides visibility for tax and accounting purposes
- Some standard requirements:
  - Locations
  - Valuations
  - Assemblies
  - Update procedures

**Q: I am looking for a tool that will allow me to inventory my facility and project life cycles. This tool should be capable of tracking and generating reports for every aspect of building finishes and equipment. I am looking for something that can give suggested life cycles that are adjustable according to specific use. Included in this inventory will be wall and floor finishes, window treatments, furniture, signage, computers, data projectors, plants, vehicles, TVs and VCR/DVD players. I want to completely inventory every aspect of my facilities and use this tool to project budgets, as well as plan for construction.**

— submitted by University Center Services,  
James Madison University, Harrisonburg, Va.  
[http://asumag.com/mag/university\\_facility\\_inventory/](http://asumag.com/mag/university_facility_inventory/)

*Level Two Competencies:*

# How can I access the management information I need to do my job?

- By mastering the process competency, the FM leader becomes more resourceful and foster's employees' creativity
- Efforts here facilitate the implementation of FM/IWMS systems
- Many good resources are available in the industry literature

Sources: APQC Process Classification Framework: ASTM E2495-06



## 9.0 Acquire, Construct, and Manage Property

### 9.1 Property design and construction

#### 9.1.1 Develop facility strategy

#### 9.1.2 Develop and construct sites

#### 9.1.3 Plan facility

##### 9.1.3.1 Design facility

##### 9.1.3.2 Analyze budget

##### 9.1.3.3 Select property

##### 9.1.3.4 Negotiate terms

##### 9.1.3.5 Manage construction/building

##### 9.1.3.6 Dispose of old facility



Designation: E 2495 – 06

### Standard Practice for Asset Utility<sup>1</sup>

This standard is issued under the fixed designation E 2495; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon ( $\epsilon$ ) indicates an editorial change since the last revision or reapproval.

#### INTRODUCTION

Identifying assets that are most critical to a mission or practice is challenging for most business entities. The ability of a business entity to minimize the gap between its asset portfolio and ever-changing organizational missions often determines its success or failure in achieving designed objectives. The goal of this practice is to provide managers with a disciplined, quantitative approach to an inherently subjective decision-making process: determining which assets are critical to an entity's designated mission and are therefore deserving of priority attention or funding.

*Level Two Competencies:*

How can I access the management information I need to do my job?

In the systems competency, the FM's goal is to identify the tools that can support the organizations development.

- Four-step process:
  - Define the business opportunity
  - Define needed capabilities
  - Define the tradeoffs
  - Make the business case

1. Enterprise Resource Planning (ERP) Products:

- Integrated modules include: EAM, HR, Finance, CRM, BI...

2. Integrated Workplace Management (IWMS) Products:

- Integrated modules centered on real property asset management

3. Enterprise Asset Management (EAM) Products:

4. Specialized Application Products:

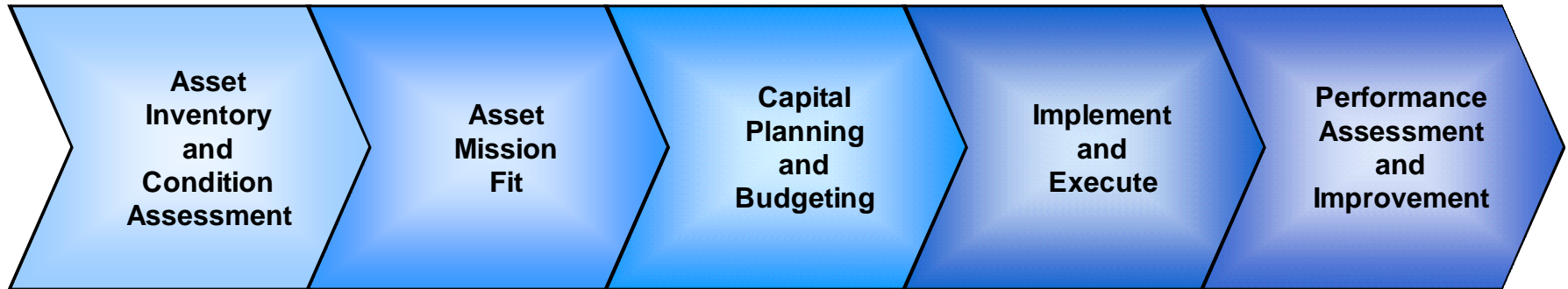
     

*Level Three Competencies:*

# What improvements should I be focused on now?

The assessment competency is based upon knowing your FM organization's capabilities and capacity, understanding how to create improvement opportunities, and creating implementation plans



<ul style="list-style-type: none"><li>•Identify existing inventories</li><li>•Identify existing FCI data</li><li>•Assess data requirements of enterprise software tools</li><li>•Develop guidance and protocols</li><li>•Deliver project roll-out plan</li></ul>	<ul style="list-style-type: none"><li>•Assess current prioritization scheme</li><li>•Develop proposed criteria</li><li>•Propose revisions to current scheme or develop new one (ASTM methodology, for example)</li><li>•Draft project plan for roll-out</li></ul>	<ul style="list-style-type: none"><li>•Map current process with calendar overlay</li><li>•Document proposed process revisions</li><li>•Estimating methodologies for CRV, Cost to repair, and TCO</li><li>•AMP/Master plans</li><li>•Finalize project plan to implement</li></ul>	<ul style="list-style-type: none"><li>•Roadmap including:<ul style="list-style-type: none"><li>- Collect Inventory</li><li>- Complete condition assessments</li><li>- Develop DM backlog cost</li><li>- Prioritization methodology</li></ul></li><li>•Training/development plan</li></ul>	<ul style="list-style-type: none"><li>•Performance metrics on portfolio basis<ul style="list-style-type: none"><li>% of inventory updated</li><li>% of facilities with current/recent condition assessment</li></ul></li></ul>
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*Level Three Competencies:*

## What improvements should I be focused on now?

- One approach to the metrics competency is with the Balanced Scorecard methodology – set vision, define goals, break down to objectives, and set measures

Category	Question to Address	Objectives
Financial	To satisfy our customers, what financial objectives must we accomplish?	1. Profitability 2. Growth 3. Shareholder value
Customer	To achieve our financial objectives, what customer needs must we serve?	1. Relationship 2. Service 3. Price/cost
Operational	To satisfy customers and shareholders, which internal processes must we excel in?	1. Cycle times 2. Quality 3. Productivity
Learning and Growth	To achieve our goals, how must our organization learn and innovate?	1. Employee Satisfaction 2. Continuous learning 3. Knowledge management

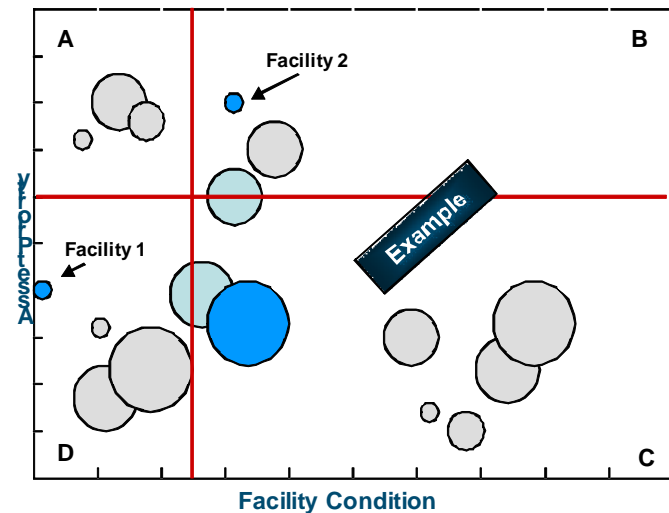
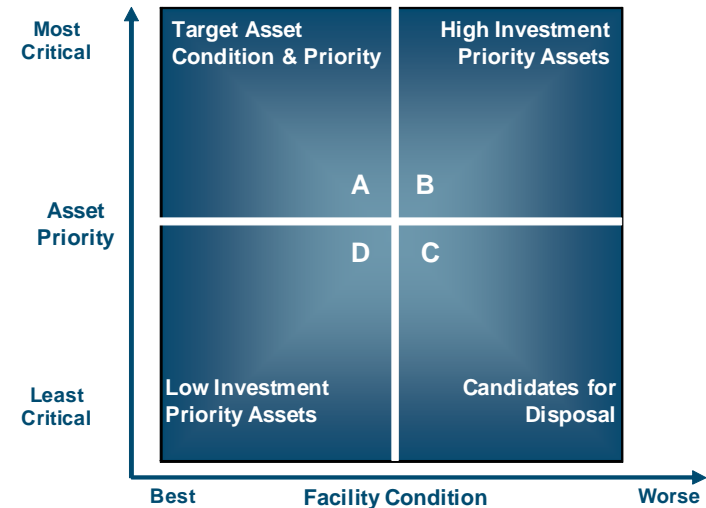
Source: APQC Passport to Success Series "Balanced Scorecard"

## Level Four Competencies:

# What is the best allocation of my resources?

### Short-term Planning:

- Goal – ensure the facilities are there to support immediate operational requirements
- Relatively clear picture of the future
- 2-3 year planning horizon
- Pressures include opportunity costs of lost business, laws and regulations, and emerging requirements
- Plans focus on specifics, such as space allocation based on known or planned needs
- Budgets and cash flow tend to be program controls



*Level Four Competencies:*

# What is the best allocation of my resources?

At the root of the performance improvements competency is an understanding of your organizational goals.

Feature	Private Sector	Public Sector
Focus	Shareholder value	Mission effectiveness
Financial Goals	Profit, share growth, innovation, creativity	Cost reduction, efficiency, accountability
Efficiency Concerns (Clients)	No	Yes
Desired Outcome	Customer satisfaction	Stakeholder satisfaction
Stakeholders	Stakeholders, bondholders	Taxpayers, legislators
Who Defines Budget Priorities	Customer demand	Leadership, legislators, funding agencies
Key Success Factors	Uniqueness, harnessing technology	Consistency, standardization, economies of scale

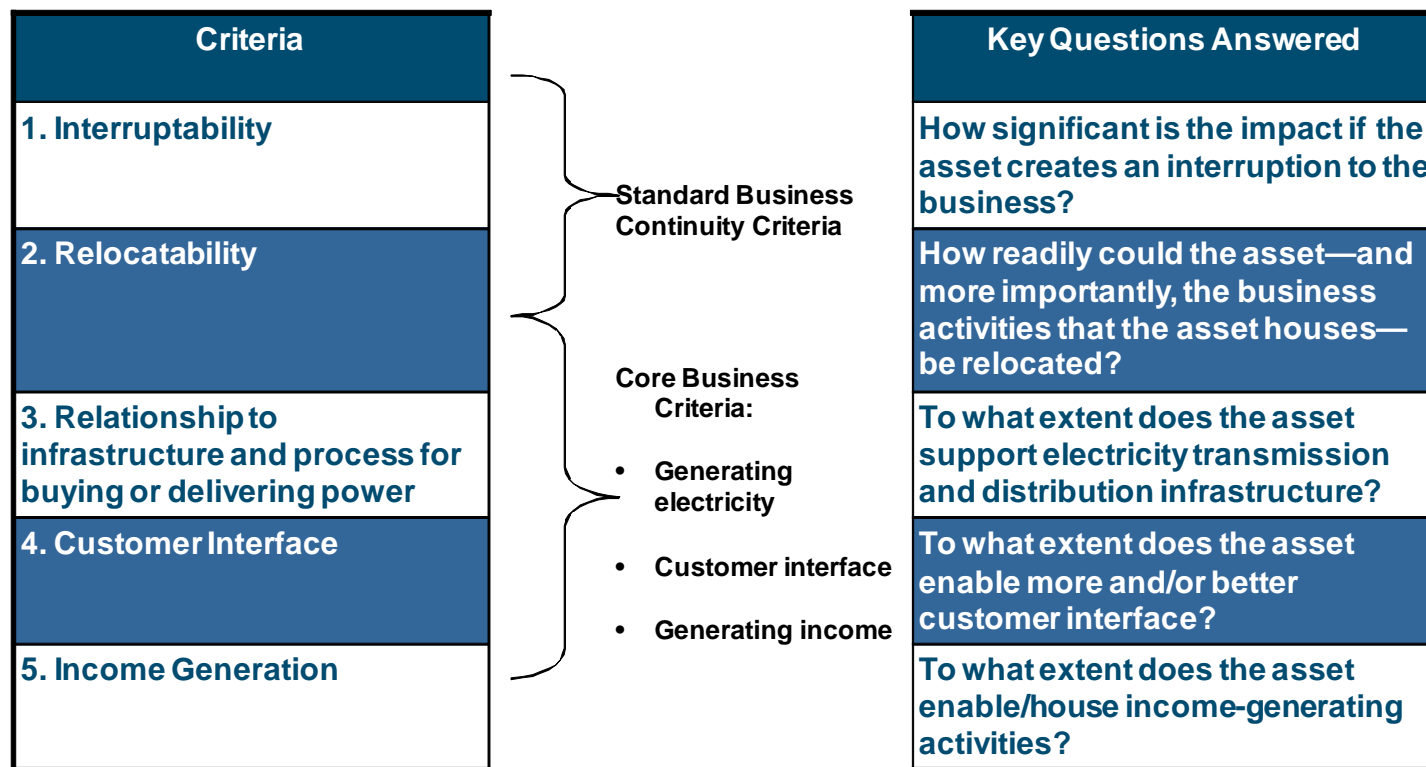


Source: National Research Council: Core Competencies for Federal Facilities Asset Management through 2020

Level Five Competencies:

## How can I justify a request for more resources?

Under the mission validation competency – (share holder value for the private sector, the key is to show how FM contributes to organizational goals

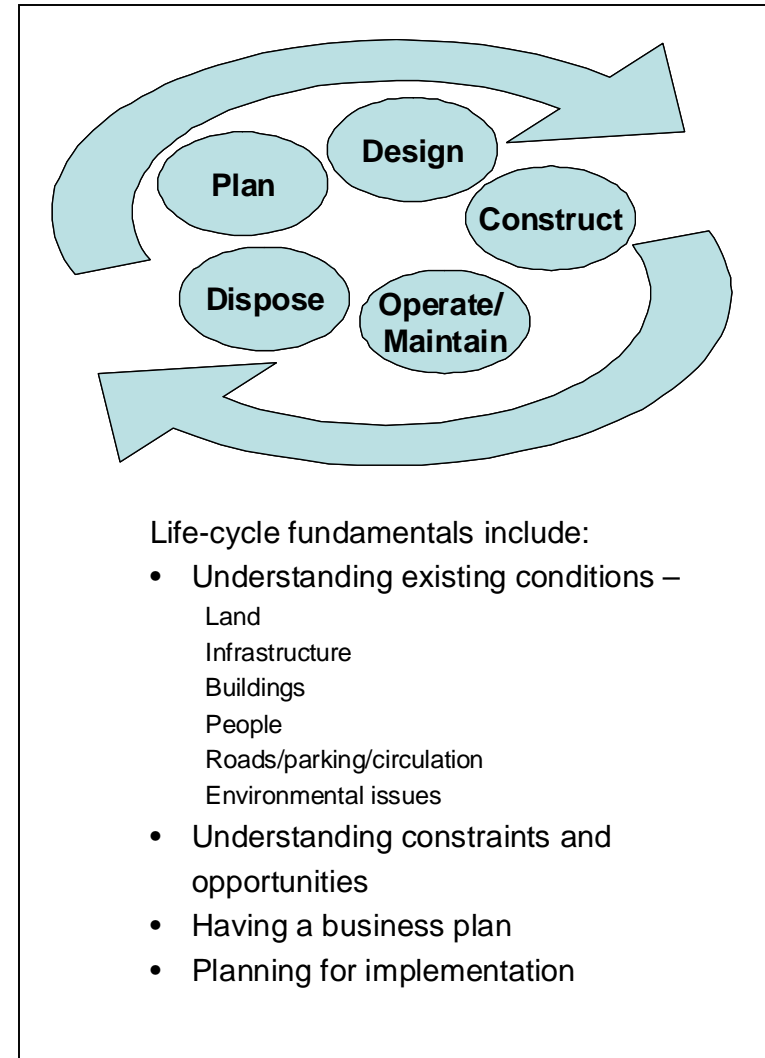


*Level Five Competencies:*

## How can I justify a request for more resources?

### Long-term Planning:

- Goal – provide infrastructure that facilitates future short-term planning
- The picture of the future is more a “best guess”
- Planning horizon is beyond 3 years
- Pressures include the unknown, locating fixed assets, savings in the longer-term
- Top-down planning based on probably likelihoods is the norm
- Plans are more general and often more conceptual in nature
- Investment analysis is the program measurement



# Closing Thoughts

- Learn the organization and your role
- Know the gaps in your own strengths
- Establish relationships
- Learn the situation, customers, collaborators, capabilities, and conditions
- Adjust to inevitable surprises
- Build loyalty, trust, and commitment

