The New Way of Working

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The new way of working

1. FM origins

2. Two possible paths

3. Challenges of FM as a service industry

4. True professionalisation of FM?

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"Those who cannot remember the past are condemned to repeat it"

George Santayana (1905)
The Life of Reason Volume 1, chapter 12.

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WORKPLACES

HOSPITALS

AIRPORTS

OFFICE BUILDINGS

EDUCATION

LARGE VENUES

HOSPITALITY

FACTORIES

RETAIL

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1. FM origins (from Price, 2003)

- Earliest examples of early 'outsourcing' from the US in 1960s (e.g. transactional ICT services like payroll)

- Progression of systems furniture in the 1970s and more technologically advanced offices – those responsible needed support and guidance

- Herman Miller (US) hosted "Facility Influence on Productivity" conference in 1978 – founders of early US-based FM professional body came together

- DEGW (Frank Duffy et al.) aware of these developments – imported the notion of 'Facility Management' across the Atlantic to the UK during the 1980s

- *Facility* Management (US) became *Facilities* Management (UK)

- Subsequently launched the *Facilities* journal as an in-house publication

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Early reference to FM

- The earliest references to FM acknowledge outsourcing, but in the context of data processing: *"Facilities management is the complete takeover and operation of a clients data processing by a service firm."* (Anon, 1972)

  → **Facilities Management as outsourcing**

- *"Due to increased awareness about work environment, the development of office automation, and the desire for increased productivity, the facility management/space planning field is developing rapidly."* (Magnus, 1981)

  → **Facilities Management focusing on increasingly automated (office) workplace**

- *"The practise of co-ordinating the physical workplace with the people and work of an organisation, integrates the principles of business administration, architecture, and the behavioural and engineering science."* (NHS Estates, 1996)

  → **Early recognition of the interrelationship between business, people and buildings?**

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2. Two possible paths

- **The rise** of an outsourced FM (services) industry in the 1990s and beyond
  - *"our core is your non-core – let us take care of your FM while you focus on your business"*

- **The fall** of 'expert workplace management' as a concept and aspiration
  - *"Perhaps the seeds were being sown by the late 1980s when it is also possible to see FM moving away from the workplace per se and into general issues of building management."* (Price, 2003)

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An early FM taxonomy (Thompson, 1991, DEGW)

Real estate and building construction	Building operations and maintenance	Facility planning	General/office services
New building design and construction management	Run and maintain plant	Strategic space planning	Provide and manage support services
Acquisition and disposal of sites and buildings	Maintain building fabric	Set corporate planning standards and guidelines	Office purchasing (stationery and equipment)
Negotiation and management of leases	Manage and undertake adaptation	Identify user needs	Non-building contract services (catering, travel, etc.)
Advice on property investment	Energy management	Space planning (furniture layouts)	Reprographic services
Control of capital budgets	Security	Monitor space use	Housekeeping standards
Landlord activities	Voice and data communication	Select and control use of furniture	
Assignment and subletting	Control operating budget	Define performance measures	*Sublet services*
Promotion/market support	Monitor performance	Computer-aided facility management (CAFM)	Multi-tenant services
	Supervise cleaning and decoration		Admin co-ordination

TABLE I.
Generic Facilities Management Department

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An often-cited modern taxonomy (Pickard, 2018, fmguru)

3. Challenges of FM as a service industry

- Is FM a profession or a market? How strong are FM's academic capabilities?

- Operational service delivery is (still) not strategic credibility or value, however excellent

- FM is still not a career of choice (people still overwhelmingly find it)

- Are 'hard' and 'soft' conceptions of FM divisive?

- An outsourced FM service delivery dynamic has many pros and cons, for instance
  - Pros: strong service economy, successful businesses, career opportunities
  - Cons: devalued importance of FM, control and compliance mindset, systemic contracting failures (e.g. Carillion)

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"The definition of insanity is doing the same thing over and over again and expecting a different result"

*(*misattributed to Albert Einstein)

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4. True professionalisation of FM?

- **'Expert workplace management'** was, and arguably is the alternative

- **Technological advancements** in the past ≈10 years have created the opportunities to reconsider business performance and FM's contribution…
  - but they also create new FM skills and competence risks too (see IWFM technology report for how exposed FM is)

- An **'enabling businesses and communities'** approach re-establishes the true business contribution FM can make through a workplace mindset…
  - the next slide shows how different cultural traits (beliefs, attitudes and behaviours) might need to be in order to achieve this

- Consider barriers to entry (exclusivity raises both status and regard)

- Invest in a richer, more advanced FM / workplace discipline and knowledge-base

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From managing facilities to enabling communities (IWFM, 2019)

Managing facilities or enabling communities?
Embracing culture to move FM forwards

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Existing cultural strengths	Desired cultural traits
Technical competence – we have the skills required to manage a range of soft and hard facilities services	**Cultural competence** – we understand what people need from us (and why) and how we can best meet their needs
Resilience – we are able to cope with challenges, adversity and a lack of resources	**Innovation** – we come up with new and better ways of doing things and solving peoples' problems
Reactive – we thrive under pressure and in situations where there's a need for immediate solutions	**Proactive** – we initiate and lead change, and make informed, evidence-based decisions
Consistency – our robust systems ensure repeatable service delivery to expected standards	**Adaptability** – we embrace diversity and individual needs and adapt our services accordingly
Compliance – we foreground health and safety and use statutory compliance to justify our actions	**Creativity** – we challenge conventional thinking and help people see things differently
Training – we focus on improving our skills in order to be more proficient at what we do	**Learning** – we focus on learning new concepts and ideas that help us solve problems in innovative ways
Quality – we measure our individual and collective performance in order to justify service and drive improvements	**Excellence** – we strive to be the best at what we do, and be recognised for the contribution we make

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The three overlapping components of workplace

CULTURE
(behaviour and values)

physical
WORKSPACE

enabling
TECHNOLOGY

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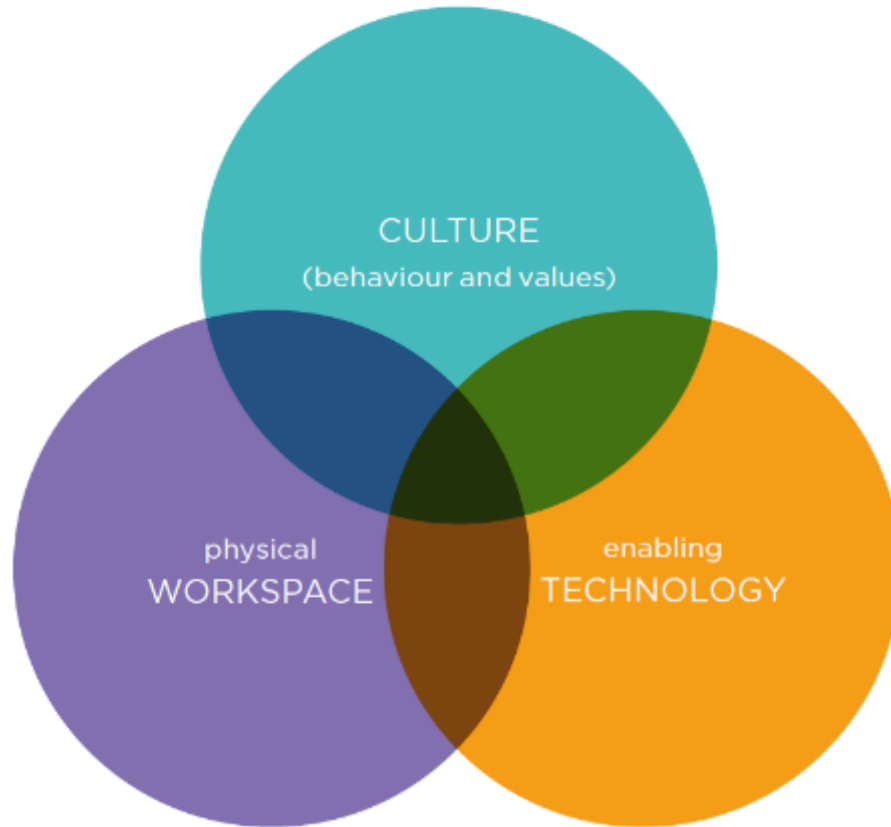
2018 research

1. Which 'emerging' technologies are most likely to affect the FM profession and how?

2. What opportunities and challenges, changes in technology present for the FM profession?

3. How well placed is the FM profession to cope with changes in technology?

4. What might the profession need to do differently?

The Technology Impact
Embracing technology to move FM forward

In partnership with
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Four possible futures for FM – research findings

1. FM will be broadly the same as it is now, but with more technology (a digital upgrade) **1st**

2. FM will become less relevant due to technology – it will become deskilled and marginalised (a digital downgrade) **3rd**

3. FM as we know it won't exist – it will be disrupted by new technologies (a digital displacement) **4th**

4. FM will be more about data science and analytics – and involve fewer people (a digital reinvention) **2nd**

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Tough conclusions

- Digital transformation is very much the reality

- FM isn't very digitally literate

- Perception that despite this, FM will be ok

- **The FM profession <u>needs</u> to do something about this**

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2020 bridging the digital divide

1. What it means to be digitally literate and the benefits of improving digital literacy in the FM profession

2. What a digitally transformed FM profession might look like in the future

3. How FMs can harness digital technologies through partnership approaches

4. The issues that FMs need to be aware of when using emerging digital technologies, including digital ethics and data security

Real life and fictional case study examples – art of the possible

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Digital literacy and skills

- "The new basics" – foundation stones
  - "digital capabilities that enable confident use and adoption of new technologies"
  - "… skills, attitudes and behaviours that utilise technologies to improve outcomes."

- It's not about all FMs becoming technologists – FMs need to be experts in FM and workplace

- It's about the profession collectively becoming more aware about what digital technologies are out there and what they can do

- So that they can have more informed conversations with people who are experts in digital technologies but don't necessarily know about FM
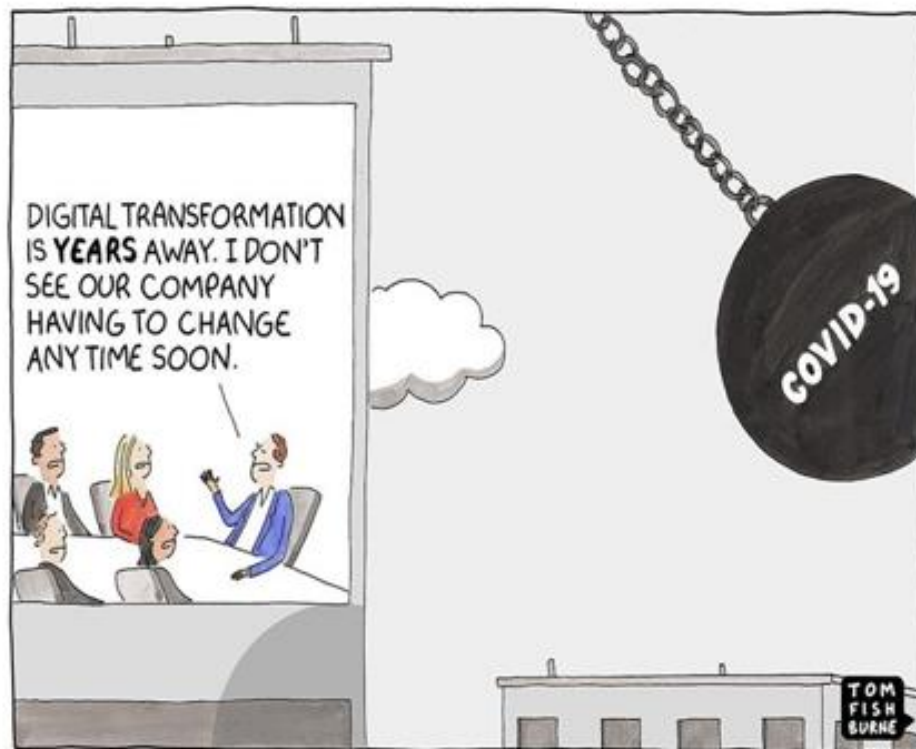
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COVID-19- Challenges to Overcome

Market Decline in 2020

Global FM market revenue drop in 2020, full rebound by 2022

Customer Sector Impact

Slowdown in many primary end-user segments

Diminished Sales Pipelines

Delayed, deferred or even cancelled decisions

Safety of Workers

Cost increases, enhanced PPE, COVID testing, and higher hygiene levels

Deep Cleaning and Sanitation

Higher cleaning standards make sanitation critical to all services

Workforce Motivation

Workforce morale impacted by fear and uncertainty. Safe return to work is critical

Supply Chain Disruption

Impeded supplies, changes in demands and higher hygiene standards

Staff Training

Many existing FM workers under-prepared for working through pandemic

Working Capital Shortages

Clients delaying payments and projects puts huge pressures on cash & liquidity

Source: Frost & Sullivan

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POST COVID GROWTH OPPORTUNITIES

Back to Work (Office Re-Entry)	Critical Customer Sectors	Switching On & Ramping Up	Sustainability	Healthy & Safe Buildings
• Bring employees back to work safely and ensure a safe working environment for all	• Focus on continuity for 'stretched' sectors such as healthcare and critical infrastructure	• M&E equipment re-commissioning and HVAC optimisation	• Renewed focus on a low-carbon future	• New cleaning, hygiene, and disinfection standards
• Space optimisation for ideal occupancy & social distancing. Plus occupant tracking and crowd control	• Support environments with workers delivering key frontline services	• Efficiently support multi-phase returns to working/production across building portfolios	• Promote circular economy in all supply chains	• Social distance management, routing/navigation, space booking etc.
• Implement, support, and enforce new practices by region	• Target most resilient customer industries (such as chemicals, e-retail, pharmaceuticals, materials, food etc.)	• Accelerated use of technology (example, remote diagnostics, predictive analytics etc.)	• Expanded opportunities for energy management equipment and services	• Indoor air quality monitoring (benchmarking, sampling, continuous real-time analysis)
• Air filtration and air quality optimisation		• Optimising maintenance schedules and programs	• Improved working conditions for all (comfort, health, safety, support tools etc.)	• Robots and drones in the workplace etc.
			• Selling sustainability outcomes and 'Sustainability as a Service'	

Source: Frost & Sullivan

POST COVID GROWTH OPPORTUNITIES

Augmented Operations	Contactless Services	Workplace Optimisation & WCM	Energy Management	Data Analytics

Augmented Operations

- Augmented and virtual reality (AR and VR) in operations to enhance technician performance and optimise costs
- Using artificial intelligence (AI) and machine learning (ML) to gain insights across the organisation from the augmented workforce

Contactless Services

- Automated supply and contactless delivery of products and services
- Reduce risk of contaminated surfaces through sensor-based interfaces
- Predictive demand planning/tracking enables contactless 'remote' service delivery, payment, and maintenance

Workplace Optimisation & WCM

- Focus on workplace in terms of design, comfort, safety, efficiency, sustainability, wellbeing, and staff productivity
- Integrated solutions focussed on addressing the business productivity of clients
- Entry barriers are relatively low for building service firms

Energy Management

- Energy performance contracting is the key growth business model
- Opportunity to compete with energy utilities and ESCOs in industrial and commercial segments
- XaaS, real-time reporting, and sophisticated data analytics for energy

Data Analytics

- New delivery models creating value-adding insights for customers and suppliers
- Integration of front-end data analytics to complement service delivery skills and drive margins

In summary

What can we do to survive and thrive?

- It's not the biggest, strongest, economic giants that survive industrial change. It is those that are best at adapting.

- By identifying ourselves with our what and how, we will be unable to adapt.

- Clearly understanding our purpose, in its broadest form, will be our greatest strength and allow us to adapt.

- If we don't do this now, we may not have the time when the moment comes.

- We must disrupt ourselves before we're disrupted.

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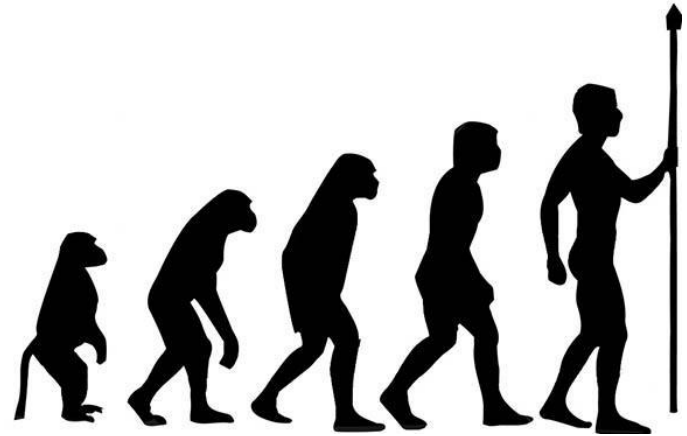
Moving forwards

1. Individual development (CPD, training, education etc…)

2. Looking beyond FM and workplace

3. Attracting new talent into the profession

4. Technology partnerships