

Peter Brogan

Head of Research and Insight
IWFM

@IWFM_PeterB

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Institute of Workplace
and Facilities Management

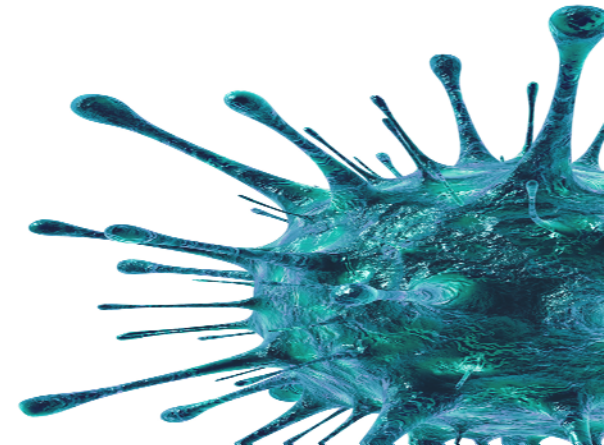
Emerging Skills in FM

A world being shaped by

- Technological breakthroughs
- Demographic shifts
- Rapid urbanisation
- Shifts in global economic power
- Resource scarcity and climate change

Selection of key drivers for FM

- People
- Workplace
- Technology
- Climate



We are living through a fundamental transformation in the way we work. Automation and 'thinking machines' are replacing human tasks and jobs, and changing the skills that organisations are looking for in their people. These momentous changes raise huge organisational, talent and HR challenges at a time when business leaders are already wrestling with unprecedented risks, disruption and political and societal upheaval."

PWC – Workforce of the future – The competing forces shaping 2030

Skills required across all sectors

Advanced analytical, interpersonal and manual skills requiring significant dexterity

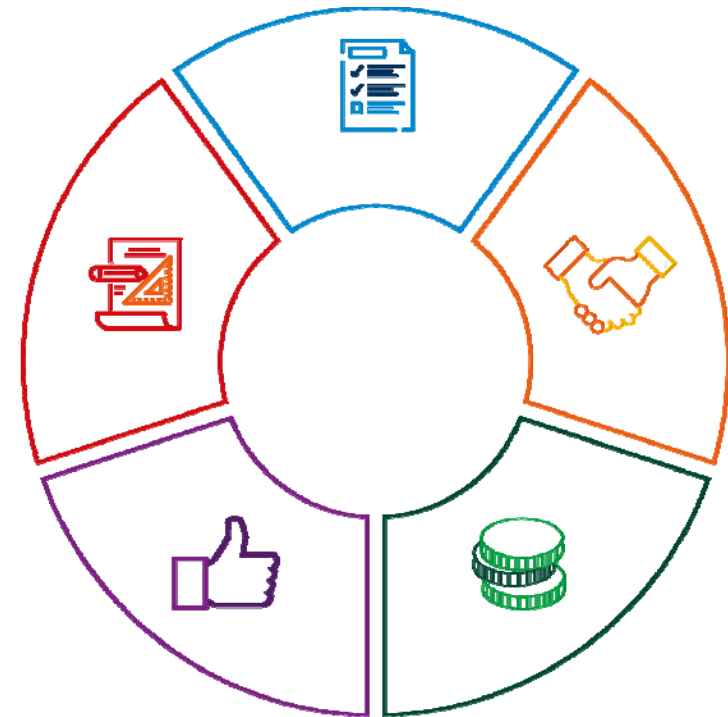
01 Technology, critical but not the be-all and end-all
Actually amplifying human ability as well as responding to scarcity

02 Lifelong learning
Advance cognitive skills such as complex problem-solving and ongoing technical skill development

03 More adaptative Workforce
Smaller core team supplemented by outside skills (with formal and informal contracts)

04 Talent identification and development
Attraction, retention and development will be critical

05 Wider measurable accountability
New ways of measuring performance including commercial and social value



FM skills – past and present



“Those who cannot remember the past are condemned to repeat it”

George Santayana (1905)

The Life of Reason Volume 1, chapter 12.

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

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?**

2. Two possible paths

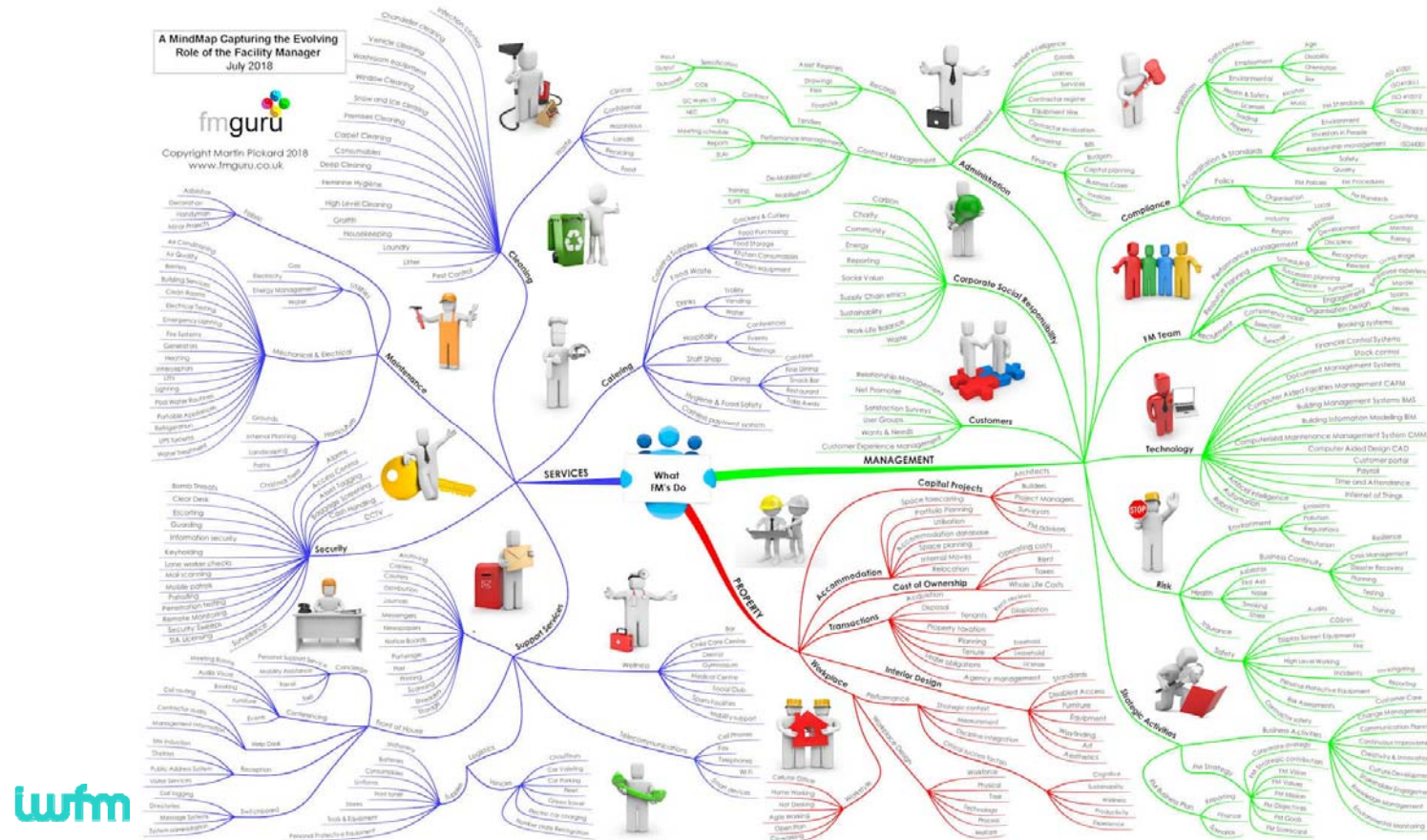
- **The rise** of an outsourced FM (services) industry in the 1990s and beyond
 - *“our core is your non-core – let us take care of your FM while you focus on your business”*
- **The fall** of ‘expert workplace management’ as a concept and aspiration
 - *“Perhaps the seeds were being sown in by the late 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)

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
<i>Landlord activities</i>	Voice and data communication	Select and control use of furniture	<i>Sublet services</i>
Assignment and subletting	Control operating budget	Define performance measures	Multi-tenant services
Promotion/market support	Monitor performance	Computer-aided facility management (CAFM)	Admin co-ordination
	Supervise cleaning and decoration		

TABLE I.
Generic Facilities Management Department

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)

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

(misattributed to Albert Einstein)

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



From managing facilities to enabling communities (IWFM, 2019)










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

The future of FM

The global FM outsourcing market is forecast to surpass \$1 trillion by 2025, including bundled and integrated services that are expected to account for 35% share of global revenue.

Source Frost & Sullivan analysis 2018

2017	➔➔➔	2025
Europe had the most mature overall FM market in 2017. North America was the biggest opportunity for IFM.	 Region	Highest growth forecast for the Middle East and Asia-Pacific. Asia-Pacific predicted to become the largest overall FM market by 2025.
Government and critical infrastructure sectors – the pioneers of outsourcing models.	 Segment	Private sector expected to drive growth; technology and connectivity to realize concept of "no customer is too small".
Strong growth in contract-based outsourced services in service bundling, integration, and internationalization.	 Business Model	Technology-led and outcome-based circular business models, e.g., XaaS, likely to open new and diverse opportunities.
Customers' capital improvement programs were the predominant funders of technology.	 Technology	Technology to gradually transfer to OPEX via PC and XaaS models.
Labor and services strongly focused on cost optimization.	 Supply	Expecting higher customer intimacy, selling outcomes, and business improvements with focus on value creation.
Customers focused on process and asset efficiency and problem-solving.	 Customer	Customers likely to focus on human and building/facility assets to drive business productivity and profitability.
Incumbent suppliers with long market history and focus on international expansion consolidate and dominate market environment.	 Competitive Environment	Further consolidation expected in the top tiers of supply and collaboration with multiple new entrants, especially technology and XaaS companies.



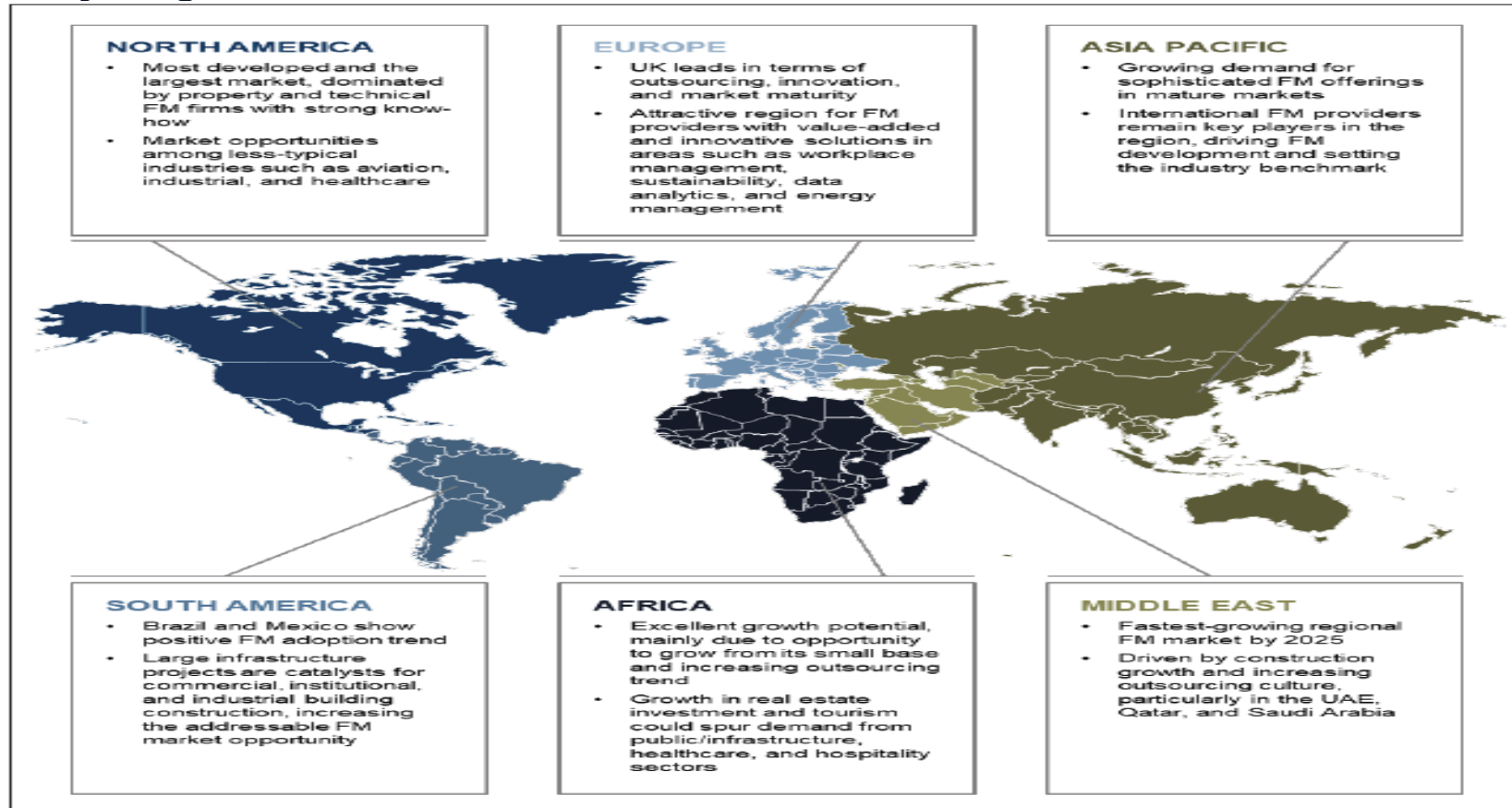
Transformation trends of FM 2017

FM is becoming more critical to businesses due to evolving workplace culture, heightened appreciation of the benefits of outsourcing, and demand for technical skills and industry know-how.

Frost & Sullivan expects these trends to have an impact on FM markets across the globe.



Key Regional Trends



Source Frost & Sullivan analysis 2018

FM Market Outlook 2019



WHAT THE MARKET OUTLOOK REPORT REVEALS



More than half of respondents said apprenticeships would have a positive impact on their organisation over the next 12 months



came from large organisations, with SME's being less well represented in our sample



said their organisation will employ apprentices over the next 12 months

The majority of respondents said the state of training was positive



saw increased investment in training from their organisations



said investment had stayed the same



said their organisation employs apprentices



said finding the right training was easy



said finding the right training was very easy

Insights challenge

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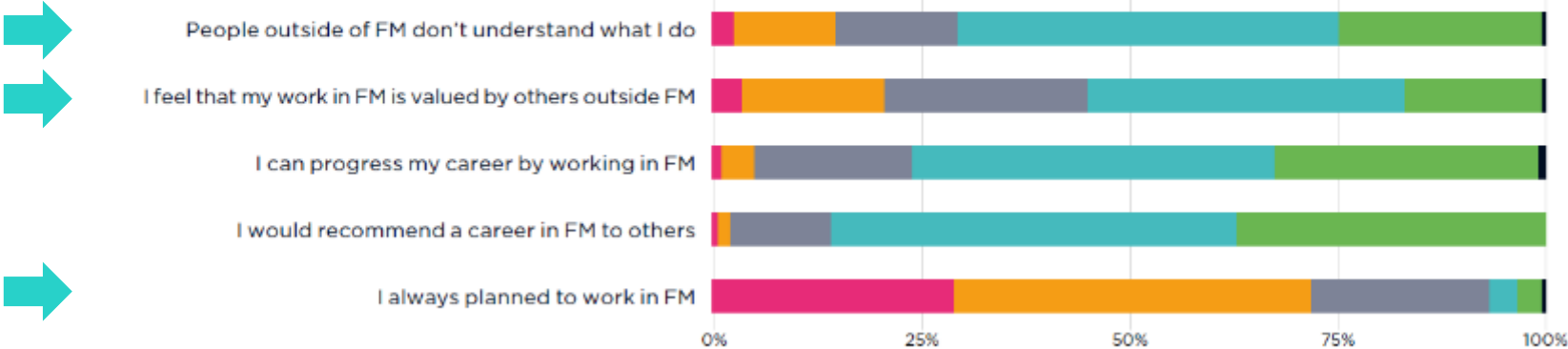


Perceptions

Where is FM today?

Respondents' perceptions about their work in FM

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree No opinion



Perceptions

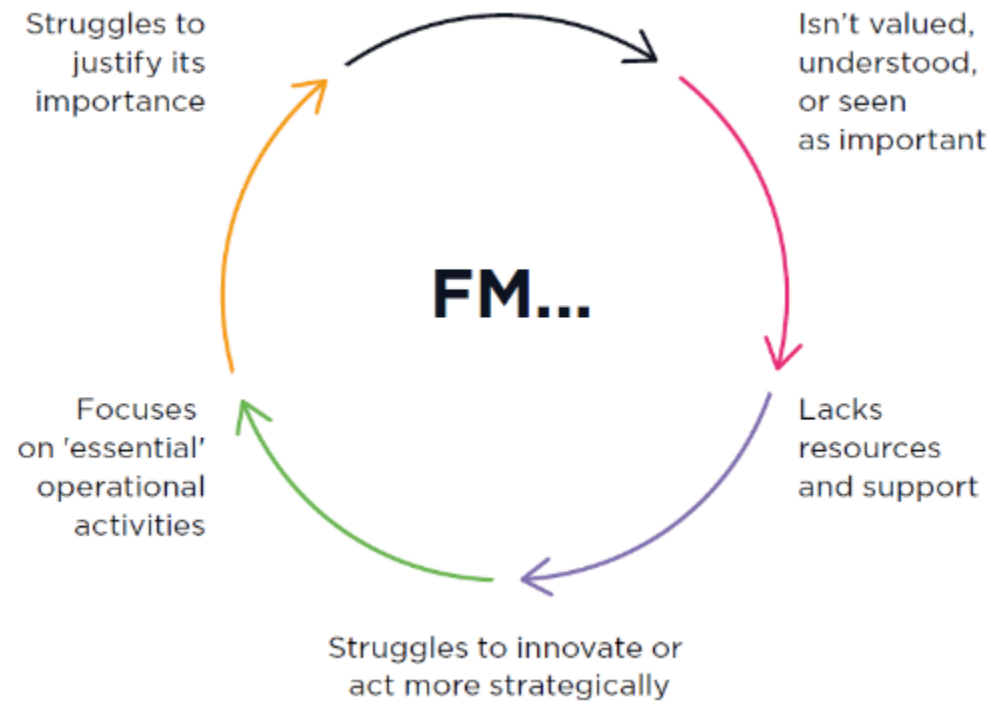
Where is FM today?

“Lack of respect for what we do. The only resolution I can think of is to have the entire department go on holiday for a week and leave the office to fend for itself, they’d realise very rapidly how much we do for them”.

“The culture of building users who view FMs as the complaints department. I often think the work that goes on behind the scenes to enable the end user to carry out their day job is taken for granted and as FMs we receive very little praise.”

“People truly understanding the importance of FM at work. I can’t count the number of times people think we only sort out stationery and tea!”

The FM profession's negative feedback loop



Facilities management (FM) is:

“[An] organisational function which integrates people, place and process within the built environment with the purpose of improving the quality of life of people and the productivity of the core business.” ISO & IWFM

“...[A] profession that encompasses multiple disciplines to ensure functionality of the built environment by integrating people, place, process and technology.” IFMA

“[The] integration of processes within an organisation to maintain and develop the agreed services which support and improve the effectiveness of its primary activities.” EuroFM



**Increasingly
complex and
demanding
work**



**Too few
professionals
with the right
skills**



**Skills shortage
as experienced
professionals
leave**



**Cost saver
not value
creator
perception**



**Data driven
innovation**



**Artificial
Intelligence
uncertainty
and impact**



**New players
entering the
workplace space**



**Need for
improved
productivity**



info@iwfm.org.uk
iwfm.org.uk

1st Floor South
Charringtons House
The Causeway
Bishop's Stortford
Hertfordshire CM23 2ER

iwfm
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