

Facilities Management Insights: Top 4 Ways to Optimize Service Operations



Facilities Management (FM), also known as Facilities Services, represented a \$1.25 Billion market in 2021; and despite a downturn in 2020 due to COVID-19, the global market will grow at a 5-year combined annual growth rate of 5%, reaching \$1.76 Billion by 2028.

Industry Trends

Facilities Management companies must effectively respond to several trends in order to take advantage of growing market demand. These trends center around three key themes:

Shrinking Real Estate Footprint

Many companies have moved to a remote, hybrid work from home (WFH) model due in part to cost savings and employee preferences realized during the pandemic. This trend is placing new pressures on FM service companies to support the following:

- **Distributed workforce** – This model forces facility managers to be more strategic about managing and maintaining office space, building infrastructure, and investing in technology supporting hybrid collaboration.

Approximately 87% of large companies are moving to a distributed workforce model.

- CBR Research

- **Flexible office space** – Although many companies are scaling back the size of their headquarter facilities, many are increasing the number of satellite offices closer to where people live to encourage more in-person collaboration, creating new demands and challenges for FM companies.
- **Hot desking** – To accommodate employees who need office space on an intermittent basis, companies are turning toward hot-desking which enables employees to reserve office space, a desk, or any asset (e.g., workstation, meeting room, etc.) through a mobile-first reservation platform. These applications also enable facilities managers to be proactive about space management, asset utilization, and maintenance requirements.



Smart technologies are becoming the central nervous system of facilities, driving energy efficiency and creating new business models.

The Proliferation of IT and Smart Technologies

- **IoT** – By integrating building systems like HVAC, security, lighting, and related assets with IoT sensors and smart technologies, facilities managers can create energy-efficient environments and plan current and future facility service requirements.
- **Remote monitoring** – IoT solutions allow facilities managers to monitor building conditions remotely, anticipate needs, and reduce dependency on onsite FM staff. The technology also enables facilities managers to implement controls and procedures to respond proactively to maintenance, safety, and environmental needs.
- **Data analytics** – The proliferation of IT and smart building technologies has created an enormous amount of data. With more accurate data available about occupancy levels and workspace utilization rates, facilities managers can turn toward data analytics and Artificial Intelligence (AI) and Machine Learning (ML) to make better decisions about operating, managing, and maintaining facilities.
- **Mobile apps** – These play a critical role in helping FM workforces monitor facility operations, track assets, and manage service requests from initiating a work order to completing repairs. Mobile apps increase productivity, reduce cost and contribute to sustainability because they eliminate paperwork and staff members' need to return to their desks to complete service reports.

Sustainability and Safety

Sustainability and employee health and safety are top of mind for building owners, operators, and occupants. FM companies are addressing these concerns by focusing on the following initiatives:

- **Building efficiency** – IoT-enabled solutions allow FM companies to monitor occupancy rates and adjust temperature levels, energy usage, and lighting levels as required, resulting in cost savings as well as lower energy consumption and carbon emissions.
- **Health & safety** – COVID-19 has placed greater scrutiny on enforcing employee health and safety protocols. FM companies must be diligent about tracking what workspace is available, what is in use, and what needs cleaning.
- **Employee experience** – The hybrid WFH model is creating a more transient workforce. As a result, facilities managers must provide a personalized experience that allows tenants and their employees to customize services, amenities, and workspace requirements.



Industry Challenges

Despite the growth opportunities these trends create, they also hinder FM companies' ability to meet customer expectations while maintaining healthy profit margins. Their challenges include:

- **Variable demand for services** – A shrinking real-estate footprint combined with a distributed workforce and the need for flexible office space has created a great deal of variability in demand for FM services. With peaks and valleys in workspace utilization, it's no longer economical to provide services on a scheduled basis. Instead, FM companies must migrate to an on-demand, proactive service model.
- **Managing outcomes & expectations** – With customers requiring a broader array of services, FM companies can no longer provide services through transactional-based service contracts and agreements. Instead, they need to offer agreements that focus on outcome and value. For example, subscription-based, or performance-based programs such as Heating-as-a-Service.
- **Aging workforce and labor shortages** – Many FM teams lack all the workers they need. Subcontractors can help to fill in gaps, yet over-dependency can reduce profit margins. It can also hurt customer satisfaction if subcontractors do not deliver the same quality of service as their own field engineers, who ultimately serve as brand ambassadors. FSM mobile apps ensure that whoever is sent has easy access to knowledge artifacts, such as the customer's service history and even virtual assistance from an expert. Learn more in our recent report **“Leveraging a Contingent Workforce in Your Service Organization.”**
- **Sustainability** – The drive toward sustainability presents several challenges from the standpoint of moving toward paperless FM operations, improving building efficiency, and better waste management. The challenges stem from the need to invest in new technologies, workflows, and processes to achieve these goals.

44% of workforce spend is now on external talent. And 65% of companies say the external workforce is important for operating at full capacity and meeting market demands.

- Oxford Economics

Real-world Spotlight

Panasonic

Panasonic Heating & Cooling Solutions uses IFS Remote Assistance to remotely diagnose issues, ensure real-time knowledge sharing, and significantly speed up repair rates. By reducing or eliminating the need to make site visits, the company lowers travel costs and environmental impact.

“With IFS Remote Assistance, we are leveraging state-of-the-art technology to unleash the full potential of our highly skilled workforce, regardless of where they are based,” said Karl Lowe, Head of European Service, Panasonic Air-Conditioning Europe. “Not only are we able to navigate constraints, but we are also able to improve repair rates and access real-time performance data to help gauge and improve our service.”

Top 4 Ways to Optimize Service Operations

FM companies should consider the following technologies and service delivery models to optimize their service models and seize new business opportunities:

1. Predictive maintenance

By integrating IoT, data analytics and AI/ML with a Field Service Management (FSM) software platform, FM companies can anticipate service issues, avoid unnecessary onsite visits, and deliver a proactive experience. These same technologies drive improvements in sustainability and building efficiency, and as a result, profitability.

2. Workforce optimization

FM companies can reduce travel costs, increase service productivity, and consistently meet service level requirements by utilizing software that optimizes field service scheduling.

FM companies can also reduce fuel costs and paper usage by automating the scheduling process, making more intelligent scheduling decisions, and drip-feeding work order assignments to field workers through mobile devices. Field workers can also use their mobile devices and applications to order spare parts, query knowledge artifacts, and complete work order debrief reports.



Real-world Spotlight



Anticimex, a leading pest control company, uses IFS' IoT Business Connector to integrate route planning software with Anticimex's proprietary pest control monitoring platform.

“By integrating IFS Applications with our IoT platform, we can analyze our data, integrate the data into our ecosystem, and visualize what we're doing with that data by combining it with other sources,” notes Jussi Ylinen, CEO, Anticimex. “We have a completely different dialog with our customers, and we can analyze our field technician services and approach the marketplace in a completely different way.”

[Read the case study](#)

3. Customer self-service

FM companies can improve customer engagement while reducing costs by giving tenants access to online applications to initiate service requests. For example, self-service, customer appointment booking, and management features with IFS' Contact Center and Customer Engagement software provide end-customers with the ability to book, cancel, and reschedule appointments.

FM companies have found this feature-functionality can maintain high customer satisfaction, operating efficiency, and service productivity. Customers save time and have more control when booking their appointments online. In turn, FM companies can eliminate high operating costs associated with staffing call center agents to respond to customer requests. The re-booking/rescheduling feature also prevents repeat visits/missed appointments because of customer no-shows.

Real-world Spotlight



PHS is one of the leading workplace services companies in the UK. The company employs over 1,800 drivers across 23 depots to deliver a wide range of solutions designed to help keep businesses running smoothly. PHS implemented IFS' mobile workforce management system to automate the dynamic scheduling of vehicle routes, monitor performance throughout the day, and track drivers in real-time.

"Our schedulers now spend half an hour checking routes instead of a full day arranging routes and managing driver schedules {thanks to IFS}," stated Ian Featherstone, CIO of PHS. "Our objectives are to achieve a 10% increase in productivity and a 7% reduction in fuel consumption. Just three months in, we are on track with a 6% increase in productivity and are making good headway on reducing fuel usage."



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Deploying the IFS solution has made a significant difference."

- Ian Featherstone, CIO, PHS



4. Full asset lifecycle support

Whereas traditional contracts are transactional in nature and focus on service delivered over a limited time frame (e.g, 2-3 years), outcome-based performance contracts focus on value and outcome delivered over an asset's lifecycle. For example, maintaining the temperate of an office building at a comfortable 72 degrees whenever the building is occupied.

To deliver on this promise, FM companies need to be able to configure contracts to account for all the service tasks, resources, and processes that make the outcome possible over the asset's lifecycle.

IFS can support FM companies' transition to outcome-based contracts through Contract Management functionality found within its service management platform. The functionality facilitates full asset lifecycle support through its ability to capture, segment, and analyze all relevant and dependent data related to the provision of outcome-based services.

Service Management Versatility

IFS' versatile service management platform is designed to uniquely address the demands of FM companies with vastly different service delivery models.

The platform makes it possible for organizations to integrate back-office systems (e.g., billing, HR, etc.) with IFS' solution and capture critical data to run their business.

Within the next 5 years, 35% of asset owners will move over to Outcome-based Performance Contracts. However, 40% of companies have no strategy to transition and will be out of business within ten years.

About IFS

IFS develops and delivers enterprise software for companies around the world who manufacture and distribute goods, build and maintain assets, and manage service-focused operations. Within our single platform, our industry specific products are innately connected to a single data model and use embedded digital innovation so that our customers can be their best when it really matters to their customers—at the Moment of Service™.

The industry expertise of our people and of our growing ecosystem, together with a commitment to deliver value at every single step, has made IFS a recognized leader and the most recommended supplier in our sector. Our team of 4,500 employees every day live our values of agility, trustworthiness and collaboration in how we support our 10,000+ customers.

Learn more about how our enterprise software solutions can help your business today at ifs.com.

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